

Notice of 2020 Annual General Meeting

Class Limited

ACN 116 802 058

NOTICE is hereby given that the 2020 Annual General Meeting (**Meeting** or **AGM**) of the members of Class Limited (ACN 116 802 058) (**Company** or **Class**) will be held on **Monday, 19 October 2020** at 3:00pm (Sydney time) at Class Limited's head office at Level 3, 228 Pitt Street, Sydney NSW 2000:

Attendance at the meeting

Due to the continuing developments in relation to coronavirus (COVID19), we are making some changes to our approach this year, with the health and safety of our shareholders and employees being of paramount importance.

In light of continuing restrictions on large gatherings, it is not feasible or advisable for shareholders to physically attend this year's AGM. Accordingly, we have adopted measures to allow shareholders to participate in the AGM online this year.

Specifically, the AGM will be made accessible to shareholders via an online platform which will include a webcast and the facility for shareholders to ask questions in relation to the business of the meeting and to vote in real-time at the meeting. These processes are set out in this notice of meeting.

The Directors of Class encourage shareholders to participate in the meeting via the online platform. Whilst shareholders will be able to vote online during the meeting, shareholders are encouraged to lodge a direct vote prior to the meeting, even if they are participating online (refer to **"How to Vote"** section for more information).

How to participate in the online meeting

The Company invites shareholders and proxyholders to watch the webcast and to participate in the Meeting via an online platform.

Shareholders and proxyholders participating in the online Meeting will be able to view the Meeting, vote and ask questions in real-time. We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter the online platform link <https://agmlive.link/CL120> into your web browser on a mobile or online device;
- If you are a shareholder, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which is printed at the top of your Voting Form; and
- If you are a proxyholder, you will need your proxy code which Link Market Services will email to you no later than 24 hours prior to the Meeting.

More information about how to use the online platform (including how to vote and ask questions online during the AGM) is available in the Online Platform Guide, which has been lodged on the ASX Market Announcements Platform and is available on Class' website at <https://investors.class.com.au/Investors/> (under Company Information, Annual General Meetings).

We recommend that you ensure before the AGM that the online platform works on your device. Further instructions are provided in the Online Platform Guide.

Information about casting a direct vote online can be found in the **"How to Vote"** section below.

You do not need to be a shareholder or proxyholder to view the webcast via the online platform.

After the Meeting, an archived recording of the Meeting will be available on the Class website at <https://investors.class.com.au/Investors/>.

Directions regarding meeting

Entitlement to vote

For the purpose of determining a person's entitlement to vote at the Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), shares will be taken to be held by the persons who are the registered holders at 7:00pm (Sydney time) on Saturday, 17 October 2020. Any share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

All Resolutions will be by poll

The Chairman intends to demand a poll on each of the Resolutions proposed at the AGM. Each Resolution considered at the AGM will therefore be conducted by a poll. The Chairman considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Meeting.

Direct Voting

The board of directors of the Company (**Board**):

- has determined that at the AGM, a shareholder who is entitled to attend and vote on a Resolution at the AGM is entitled to a direct vote in respect of that Resolution; and
- has approved the use of the online platform as means by which shareholders can deliver their direct vote

Shareholders can cast a direct vote prior to or at the AGM. Refer to the **“How to Vote”** section below for more details.

Virtual attendance via Online Platform

To facilitate shareholder participation, shareholders will have the opportunity to participate in the Meeting through an online platform at <https://agmlive.link/CL120>. If you use the online platform, you will be able to view the AGM live, lodge a direct vote in real-time and ask questions online.

Those shareholders present at the AGM through the online platform (including by proxy, attorney or by corporate representative appointed under section 250D of the Corporations Act 2001 (Cth) (**Corporations Act**)) will be counted as being present at the AGM for all purposes.

Proxy voting by members of the Company’s KMP

Voting restrictions apply to members of the key management personnel of the Class Limited consolidated group (**KMP**), which affect proxy voting.

The KMP (which includes each of the non-executive Directors, the Managing Director and Chief Financial Officer) and their closely related parties will not be able to vote your proxy on Resolutions 4 or 5 unless you direct them how to vote by marking the voting boxes on the Voting Form for those items. The term “closely related party” is defined in the Corporations Act and includes the KMP’s spouse, dependants and certain other close family members, as well as any companies controlled by the KMP.

If you intend to appoint a KMP or their closely related party as your proxy, please ensure that you direct them how to vote on Resolutions 4 or 5.

If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him to vote by marking the relevant boxes on the Voting Form. If you sign and return your Voting Form and do not provide any voting directions, you will be deemed to have expressly authorised the Chairman of the Meeting (where he is appointed your proxy or becomes your proxy by default) to cast your vote on each of Resolutions 4 or 5 even though each of those Resolutions is connected directly or indirectly with the remuneration of a KMP.

The Chairman of the Meeting intends to vote any undirected proxies held by him in favour of all items of business.

How to Vote Direct vote – prior to the AGM

Shareholders will be able to cast a direct vote on the Resolutions considered at the Meeting without attending the Meeting, at any time between the date of this Notice of Meeting and 3:00pm (Sydney time) on Saturday, 17 October 2020.

Shareholders may cast a direct vote prior to the Meeting either online (via the Investor Centre: www.investorcentre.linkmarketservices.com.au/Login/Login) or by completing and submitting a Voting Form.

If you lodge a direct vote, you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf. Even if you plan to attend the Meeting online, you are still encouraged to cast a direct vote (or submit a directed proxy) in advance of the Meeting so that your votes can still be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the Meeting).

If you cast a direct vote prior to the Meeting you may still attend the Meeting online. If you attend

the Meeting online, the Board has determined that your direct vote will not be cancelled unless you cast a live vote during the Meeting.

Direct vote – during the AGM using the Online Platform

Shareholders attending the Meeting using the online platform (at <https://agmlive.link/CL120>) will be able to cast a direct vote via the online platform at any time between the commencement of the AGM (3:00pm Sydney time on Monday, 19 October 2020) and the closure of voting as announced by the Chairman during the AGM.

More information about how to use the online platform (including how to vote and ask questions online during the AGM) is available in the Online Platform Guide, which has been lodged on the ASX Market Announcements Platform and is available on Class' website at <https://investors.class.com.au/Investors/> (under Company Information, Annual General Meetings).

Appointing a proxy

Shareholders can appoint a proxy to attend and vote on their behalf as an alternative to attending the online Meeting. If you appoint a proxy, you may still attend the Meeting online. However, in accordance with the Company's Constitution, your proxy's right to speak and vote will be suspended while you are present.

Shareholders may appoint a proxy either online at www.investorcentre.linkmarketservices.com.au/Login/Login or by completing and submitting a Voting Form prior to the Meeting.

Proxy appointments (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be received no later than 3:00pm (Sydney time) on Saturday, 17 October 2020.

Submitting your Voting Form

Voting Forms may be lodged in one of the following ways and must be received no later than 3:00pm (Sydney time) on Saturday, 17 October 2020:

Online at www.investorcentre.linkmarketservices.com.au/Login/Login

By mail to Class Limited

C/- Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235 Australia

By hand at Link Market Services Limited*

1A Homebush Bay Drive, Rhodes NSW 2138; or

Level 12, 680 George Street, Sydney NSW 2000

* *During business hours (Monday to Friday, 9:00am-5:00pm)*

By fax to +61 2 9287 0309

After this time, you will still be able to vote during the AGM by submitting your direct vote using the Company's online platform (at <https://agmlive.link/CL120>).

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, will need to ensure that it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act to exercise its powers at the Meeting. A Certificate of Appointment

of Corporate Representative is available from the Share Registry. The instrument appointing the representative must be provided to the Company or the Share Registry before the Meeting.

Shareholder questions

If you would like a question to be put to the Chairman of the Meeting or the Auditor and you are not able to attend the online Meeting, please email your question to the Company Secretary at investor@class.com.au. To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00pm (Sydney time) on 12 October 2020. Written questions may also be submitted by shareholders or proxyholders during the Meeting via the online platform (at <https://agmlive.link/CL120>).

Questions will be collated and, during the Meeting, the Chairman or the Managing Director will seek to address (or request the Company's Auditor, Grant Thornton, to respond to) as many of the more frequently raised topics as possible. Please note that there may not be sufficient time at the Meeting to respond to all topics raised and responses to individual questions will not be provided.

Shareholders should read the Explanatory Statement accompanying, and forming part of, this Notice of Meeting for more details on the Resolutions to be voted on at the Meeting.

Business

Ordinary business

Financial report, directors' report and auditor's report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2020.

Resolution 1 - Election of Mr Robert Bazzani

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

"That Mr Robert Bazzani, being eligible for election in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for election, be elected as a director of the Company."

Details of the qualifications and experience of Mr Bazzani are set out in the attached Explanatory Statement.

Resolution 2 - Election of Mr Simon Martin

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

"That Mr Simon Martin, being eligible for election in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for election, be elected as a director of the Company."

Details of the qualifications and experience of Mr Martin are set out in the attached Explanatory Statement.

Resolution 3 - Re-election of Ms Nicolette Rubinsztein

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

"That Ms Nicolette Rubinsztein, being a director who retires by rotation pursuant to the Company's

Constitution and ASX Listing Rule 14.4 and, being eligible, offers herself for re-election, be re-elected as a director of the Company.”

Details of the qualifications and experience of Ms Rubinsztein are set out in the attached Explanatory Statement.

Resolution 4 – Remuneration report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution: “That the Remuneration Report for the year ended 30 June 2020 as set out in the Company’s 2020 Annual Report be adopted.”

The Remuneration Report is contained in the “Directors’ Report” section of the 2020 Annual Report (pages 34 to 55). Publicly listed companies are required to submit their remuneration reports to a vote for adoption at each of their annual general meetings. Whilst the following resolution is to be determined as an ordinary resolution, it is advisory only and does not bind the directors or the Company.

A voting exclusion statement applies to this Resolution 4 (please refer to page [10](#)).

Special business

Resolution 5 – Grant of performance rights and deferred rights to Andrew Russell, Managing Director and CEO

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

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of Performance Rights and Deferred Rights under the Class Limited Performance Rights and Deferred Rights Plan (**Rights Plan**) to Mr Andrew Russell, the Company’s Managing Director and Chief Executive Officer, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting and in accordance with the rules of the Rights Plan.”

A voting exclusion statement applies to this Resolution 5 (please refer to page [16](#)).

Resolution 6 – Provision of financial assistance by NowInfinity

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

“That, for the purposes of sections 260A(1)(b) and 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the provision of financial assistance by NowInfinity 3505 Pty Ltd (ACN 614 467 926) (**NowInfinity 3505**) and NowInfinity Pty Ltd (ACN 154 927 376) in connection with the acquisition by the Company of all of the shares in NowInfinity 3505 as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 7 – Provision of financial assistance by Smartcorp

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

“That, for the purposes of sections 260A(1)(b) and 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the provision of financial assistance by Assuriti Pty Ltd (ACN 158 495 884) (**Assuriti**), Company Dynamics Pty Ltd (ACN 058 086 169) and Accounting & Legal

Dynamics Pty Ltd (ACN 000 999 860) in connection with the acquisition by the Company of all of the shares in Assuriti as described in the Explanatory Statement accompanying this Notice of Meeting.”

By order of the Board

GLENN DAY

Company Secretary

Dated: 14 September 2020

Explanatory Statement

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains an explanation of, and information about, the Resolutions to be considered at the Meeting. It is given to shareholders to help them determine how to vote on the Resolutions set out in the Notice of Meeting.

Shareholders should read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you are in doubt about what to do in relation to a Resolution, you should consult your financial or other professional advisor.

Financial Report, Directors' Report and Auditor's Report

The Financial Report, Directors' Report and Auditor's Report are contained in the 2020 Annual Report which is available on the Company's website: <https://investors.class.com.au/Investors/>.

Shareholders are not required to vote on this item of business. During this item of business, shareholders will have the opportunity to ask questions about and comment on the Company's management, operations, financial position, business strategies and prospects.

Shareholders will also have the opportunity for direct questions to the Company's auditor, to the extent relevant to the conduct of the audit of the Company, the preparation and contents of the Auditor's Report, the accounting policies adopted by the Company in the preparation of its financial statements, and the independence of the auditor.

Resolutions 1, 2 and 3 – Election of Directors

Mr Robert Bazzani, an Independent Non-Executive Director of the Company, was appointed to the Board on 2 January 2020.

Mr Simon Martin, an Independent Non-Executive Director of the Company, was appointed to the Board on 19 November 2019.

The Company conducted appropriate checks into the background and experience of each of Mr Bazzani and Mr Martin before they were appointed, and those checks did not reveal any information of concern.

Ms Nicolette Rubinsztein, an Independent Non-Executive Director of the Company, was last elected on 16 October 2017. Ms Rubinsztein has been on the Board since April 2017.

In accordance with clause 10.2(c) of the Company's Constitution and ASX Listing Rule 14.4, Mr Bazzani and Mr Martin, having been appointed after the Company's last Annual General Meeting, will retire at the Meeting and offer themselves for election.

Clause 10.2(a) of the Company's Constitution provides that directors, other than the Managing Director, must retire from office no later than the longer of the third annual general meeting of the Company or three years, following that director's last election or appointment. As such, Ms Rubinsztein will retire by rotation at the Meeting and offers herself for re-election.

The Board recognises that having a range of different skills, experience and expertise represented amongst its directors is important for optimal performance of the Board. The Board uses a skills matrix to guide its assessment of the directors and to identify any gaps in the collective

skills of the Board. The range of skills, experience and expertise represented on the Board is set out in the Company's Corporate Governance Statement (available on the Company's website at <https://investors.class.com.au/Investors/>).

Details of the qualifications and experience of each of Mr Bazzani, Mr Martin and Ms Rubinsztein are set out below.

Board recommendation

The Board considers that Mr Bazzani's strategic and business development skills, together with his financial services industry experience and extensive access to networks are valuable to the Board's existing skills and experience. As such, the Board (with Mr Bazzani absent and not voting) unanimously recommends that shareholders vote in favour of Resolution 1 to elect Mr Bazzani as a director of the Company.

The Board considers that Mr Martin's software as a service and information technology industry experience, together with his financial acumen skills are valuable to the Board's existing skills and experience. As such, the Board (with Mr Martin absent and not voting) unanimously recommends that shareholders vote in favour of Resolution 2 to elect Mr Martin as a director of the Company.

The Board considers that Ms Rubinsztein's understanding of the Company's industry through deep financial services industry experience, together with her compliance and risk Management skills are valuable to the Board's existing skills and experience. As such, the Board (with Ms Rubinsztein absent and not voting) unanimously recommends that shareholders vote in favour of Resolution 3 to re-elect Ms Rubinsztein as a director of the Company.

Details of Mr Bazzani

Qualifications: Master of Business Administration (MBA), Bachelor of Law (LLB) and a Bachelor of Science (BSc).

Experience and expertise: Mr Bazzani was formerly a top level Partner with global consulting firm KPMG, where he served in multiple leadership roles including as a member of KPMG's National Executive Committee (NEC), which oversaw and was responsible for the firm's turnover, strategic decision making, profitability and operations. He has significant hands-on experience in running and growing large scale and complex businesses, and is well skilled in business strategy and management, governance, accounting and law. He has worked extensively in corporate finance and advisory roles across a range of industries in both Australia and Asia Pacific. Mr Bazzani is an advisory board member and/or chairman on a number of private companies.

Mr Bazzani has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a director.

Details of Mr Martin

Qualifications: Master of Business Administration and a Bachelor of Commerce from the University of Melbourne. Member of the Australian Institute of Company Directors.

Experience and expertise: Mr Martin is a director of a number of private, ASX listed, private equity owned and not for profit organisations. He has held a variety of executive roles in software companies in Australia and internationally, including CFO of MYOB and CEO of iCareHealth. Mr Martin has managed and participated in a number of very successful investments, generating significant shareholder returns.

Mr Martin has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a director.

Details of Ms Rubinsztein

Qualifications: BbusSc (hons), qualified actuary, an executive MBA from the Australian Graduate School of Management and a graduate of the Australian Institute of Company Directors.

Experience and expertise: Ms Rubinsztein joined the Board in April 2017. Ms Rubinsztein is a Non-executive Director of Zurich Australia Limited/OnePath Insurance, UniSuper, SuperEd, and CBHS Health Fund Ltd. In her executive career, she held senior roles at CBA / Colonial First State, BT Funds Management and Towers Perrin. Ms Rubinsztein was also President of the Actuaries Institute in 2019 and a Director of the Association of Superannuation Funds of Australia (ASFA) for eight years and chair of their Super System Design Council.

Ms Rubinsztein has acknowledged to the Company that she will have sufficient time to fulfil her responsibilities as a director.

Resolution 4 – Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put its Remuneration Report to the vote of shareholders at each annual general meeting of the Company. However, the outcome of the shareholders vote on the Remuneration Report is advisory only. If Resolution 4 to adopt the Remuneration Report for the year ended 30 June 2020 is not passed, the directors are not obliged to alter any of the arrangements specified in the Remuneration Report. However, the directors will take into account the outcome of the vote when considering the future remuneration practices and policies.

Shareholders should also note that, if 25% or more of the votes cast are against Resolution 4, the first part of the Board spill provisions contained in the Corporations Act (“two strikes rule”) will be triggered. While this would not impact on the current year’s Meeting, if at next year’s Annual General Meeting, 25% or more of the votes cast are against the Remuneration Report for that year, then a resolution must be put to shareholders to vote on whether to hold another meeting within 90 days of that Annual General Meeting at which all of the directors (other than the Managing Director) must stand for re-election.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by or on behalf of a KMP whose remuneration details are disclosed in the Remuneration Report, or their closely related parties, in any capacity (including as a proxy), unless the vote is cast as proxy for a person entitled to vote on Resolution 4:

- in accordance with the directions in the proxy appointment; or
- by the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman to exercise an undirected proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP.

Board recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 4 to adopt the Remuneration Report.

Resolution 5 – Grant of performance rights and deferred rights to Andrew Russell, Managing Director and CEO

Mr Andrew Russell commenced as Managing Director and Chief Executive Officer on 14 May 2019. The key terms of Mr Russell's employment and remuneration were disclosed in the Company's ASX announcement on 18 February 2019. Further details of Mr Russell's remuneration are set out in the Remuneration Report commencing on page 34 of the Company's 2020 Annual Report.

Mr Russell's remuneration includes short-term incentives and long-term incentives, the grant of Performance Rights and Deferred Rights (together, **Rights**) under the Class Limited Performance Rights and Deferred Rights Plan (**Rights Plan**) as described in the table below. The grant of the Rights to Mr Russell is conditional on the Company having obtained shareholder approval pursuant to this Resolution 5. If approval is not obtained, the Rights detailed below will not be granted.

The Rights Plan was approved and adopted at the Company's 2018 Annual General Meeting.

The Non-Executive Directors are of the view that it is appropriate that Mr Russell be entitled to be granted the Rights described below. The Non-Executive Directors consider that the grant of the Rights is an important element of the Company's remuneration strategy for the CEO, having regard to the circumstances of the Company, the duties and responsibilities of Mr Russell and market levels of remuneration for executives in his position in similar sized companies. The performance criteria set by the Board, as referred to below, is designed to align the Company and the CEO's interests with that of shareholders.

If Resolution 5 is passed, Mr Russell will be granted the Rights detailed below. The Company has the discretion to issue shares, buy shares on-market, or provide a cash payment in lieu (or do a combination of these things), to settle any obligations to provide shares to Mr Russell on vesting of the Rights.

Key terms of the proposed grant of Rights

The key terms of the proposed grant of Rights to Mr Russell are set out below:

Grant	Details
FY20 Short Term Incentive (STI) Award	<p>Mr Russell's STI opportunity for the period from 1 July 2019 to 30 June 2020 (FY20) was up to \$275,000, with 50% payable by way of cash (cash component), and 50% granted as Deferred Rights (equity component).</p> <p>Mr Russell's STI outcome of \$220,000 was determined following an assessment of performance hurdles as determined by the Board.</p> <p>The grant of 84,615 Deferred Rights being the equity component of Mr Russell's STI opportunity is subject to shareholder approval.</p> <p>The number of Deferred Rights to be granted was calculated by dividing the equity component of the STI outcome by the volume-weighted average price (VWAP) of the Company's ordinary shares (Shares) over a 5-day trading period ending 30 June 2020.</p> <p>Performance Period: The performance period is 1 year from 1 July 2019 to 30 June 2020.</p> <p>Vesting: Vesting of the Deferred Rights is subject to Mr Russell's ongoing employment with the Company. The Deferred Rights will vest over two years in equal annual instalments, commencing from 1 July 2020. On vesting, each Deferred Right will convert into one Plan Share (being a fully paid ordinary share in the capital of the Company). Deferred Rights are subject to forfeiture or clawback in certain circumstances as determined by the Board, as set out in the Plan Rules.</p>
Long Term Incentive (LTI) Award	<p>(FY21 LTI Award) Grant of 211,538 Performance Rights (valued at \$275,000 at the time of grant, calculated by reference to the VWAP of the Shares over a 5-trading day period ending 30 June 2020), as Mr Russell's long term incentive in respect of the period from 1 July 2020 to 30 June 2023.</p> <p>Performance Period: The performance period is 3 years, from 1 July 2020 to 30 June 2023.</p> <p>Performance Criteria: Vesting of the Performance Rights is subject to Mr Russell meeting the following performance criteria:</p> <ul style="list-style-type: none">• 105,769 of the Performance Rights will be subject to achievement of a Revenue Target; and• 105,769 of the Performance Rights will be subject to achievement of an EBITDA Target. <p>Vesting: On vesting, each Performance Right will convert into one Plan Share.</p>

Performance Criteria Targets

The Board has set targets for growth in revenue and earnings before interest tax, depreciation and amortisation (EBITDA) as the performance criteria for vesting of Mr Russell's FY21 LTI Award, which align with the Company's strategic plan and aims to deliver long term value creation for shareholders through performance hurdles linked to the customer growth and earnings.

The relevant Revenue Target has been determined by the Board by reference Annualised Recurring Revenue (ARR) being the number of Accounts/Subscriptions at the end of the relevant performance period multiplied by Average Revenue Per Unit (ARPU) plus revenue earned from adjacent products and services for the twelve months preceding the end of the performance period.

The relevant EBITDA Target is determined by the Board by reference to the EBITDA of the Company for the year ending 30 June 2023.

The specific Targets are not disclosed due to their commercial sensitivity. Whether the Targets have been achieved will be determined by the Board in its sole discretion, with due regard to the influence management had on current and future results.

Why shareholder approval is required

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of securities to directors under an employee incentive scheme. Shareholder approval is therefore sought to grant the Rights to Mr Russell.

Additionally, ASX Listing Rule 7.1 provides that a listed company must not issue equity securities that total more than 15% of its fully paid ordinary shares in any rolling 12-month period without shareholder approval, or unless an exception applies (**15% Capacity**).

If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that if this Resolution 5 is passed, the Rights granted to Mr Russell and any resulting Plan Shares issued will not use up part of the Company's 15% Capacity under ASX Listing Rule 7.1. An issue of securities under an employee incentive scheme made with the approval of shareholders under ASX Listing Rule 10.14 is also an exception to Listing Rule 10.11.

If shareholder approval to Resolution 5 is not obtained, then the Rights detailed above will not be granted to Mr Russell. The Board notes that if this occurs, the Board would need to re-evaluate the remuneration structure for the CEO and there would be a risk that the Company may not be able to retain Mr Russell.

Other terms of the Rights

Price payable

The Rights will be granted for nil cash consideration and are not transferable.

Dividends and voting rights

The Rights are not entitled to dividends or voting rights.

Cessation of employment

If Mr Russell ceases his employment for a Qualifying Reason during a performance period, the Committee has the discretion to determine that any of Mr Russell's Rights:

- will all convert, or partly convert, into Plan Shares and vest in Mr Russell (or he will receive a cash payment in lieu), and any remaining Rights will be forfeited; or
- will all be forfeited.

If Mr Russell ceases to be employed during a performance period other than for a Qualifying Reason, his Rights will be forfeited.

A “Qualifying Reason” includes retirement, death, total and permanent disability or redundancy as determined by the Board in its discretion.

Plan Shares

The Plan Shares provided to Mr Russell on vesting of the Rights will be held beneficially for Mr Russell by the trustee of the Class Limited Employee Share Trust (**Trust**) until such time as the Plan Shares are released or forfeited in accordance with the terms of the Rights Plan. Plan Shares may be delivered to the Trust on behalf of Mr Russell by way of issue of Plan Shares, by way of acquiring Plan Shares on-market, or a combination of these methods, as determined by the Board in its discretion.

Rights attaching to the Plan Shares

From the date Mr Russell’s Plan Shares are registered in the name of trustee of the Trust for his benefit, Mr Russell is entitled to receive any dividends paid on Plan Shares registered in the name of the trustee of the Trust for his benefit. He may also exercise voting rights attaching to the Plan Shares allocated to him by appointing the trustee of the Trust as his proxy. Any bonus shares to be issued or rights issues awarded in respect of Plan Shares that are allocated to Mr Russell will be granted to the Trust to hold on his behalf.

Restrictions and vesting of Plan Shares

Mr Russell must not sell, transfer, encumber or otherwise dispose of or deal with any Plan Shares held by the Trust for his benefit until the Plan Shares have vested in him.

The Plan Shares will be released on the earlier of:

- the date on which the committee of persons delegated by the Board to administer the Rights Plan (**Committee**) approves Mr Russell’s application to have the Plan Shares transferred to him;
- the date on which he ceases to be employed as a senior executive of the Company or a subsidiary;
- the date the Committee determines in its discretion that the Plan Shares will be released to Mr Russell;
- the end of the holding period that Mr Russell elects (being no restriction following vesting); or
- the 15th anniversary of the date the Rights are granted to Mr Russell.

Any Plan Shares still held in the Trust and not released to Mr Russell will be forfeited if he commits a grievous action or omission (including any act of dishonesty or breach of duty).

Change of control

If a change of control event occurs in relation to the Company, then:

- the Rights which have not been converted to Plan Shares may be converted to Plan Shares

to the extent the Committee, at its discretion, considers appropriate having regard to the performance of Mr Russell and the Company, and the performance criteria; and

- any Plan Shares held by the Trust on behalf of Mr Russell will immediately vest on announcement to the ASX of the change of control event.

Other information required by ASX Listing Rules

The Company provides the following additional information for the purposes of ASX Listing Rule 10.15:

- a. Mr Russell is a director of the Company.
- b. The maximum number of securities that may be acquired by Mr Russell pursuant to this approval in respect of each grant is as follows:
 - FY20 STI Award – 84,615 Deferred Rights, each convertible into one Plan Share; and
 - FY21 LTI Award – 211,538 Performance Rights, each convertible into one Plan Share.
- c. Mr Russell's current total remuneration package consists of:
 - total fixed remuneration of \$550,000 (inclusive of superannuation);
 - STI of \$220,000 (comprising 50% cash and 50% equity) for FY20; and
 - LTI opportunity for FY21 of up to \$275,000 in equity (value calculated by reference to the VWAP of the Company's Shares over a 5-trading day period ending 30 June 2020).

Refer to the Company's Remuneration Report for the year ended 30 June 2020 for further details of Mr Russell's remuneration.
- d. Mr Russell has previously been granted the following Rights under the Rights Plan:
 - 100,000 Performance Rights granted as part of his sign-on payments;
 - 200,000 Performance Rights as a one-off long-term incentive, as part of his sign-on payments (the vesting of which are subject to the performance criteria described in the Explanatory Statement to the Company's Notice of 2019 Annual General Meeting); and
 - 198,473 Performance Rights granted in respect of his FY20 LTI Award (the vesting of which are subject to the performance criteria described in the Explanatory Statement to the Company's Notice of 2019 Annual General Meeting).
- e. The Company uses Performance Rights and Deferred Rights to create alignment between executives and shareholder interests. Mr Russell is not entitled to voting or dividend rights until the Rights vest.
- f. If Resolution 5 is passed, the Rights will be granted to Mr Russell on 19 October 2020 following the conclusion of the AGM.
- g. No loan will be advanced by the Company in relation to the acquisition of securities the subject of Resolution 5.
- h. Details of Performance Rights and Deferred Rights issued to Mr Russell under the Rights Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

- i. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Rights Plan after Resolution 5 is approved and who are not named in the Notice of Meeting will not participate until approval is obtained under that rule.
- j. A voting exclusion statement for Resolution 5 is set out below.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 5:

- in favour of the Resolution by or on behalf of Mr Russell or any of his associates (regardless of the capacity in which the vote is cast); or
- by a KMP, or a closely related party of a KMP, as a proxy,

unless the vote is cast:

- as a proxy or attorney for a person entitled to vote on Resolution 5 in accordance with the directions in the proxy appointment;
- as proxy for a person entitled to vote on Resolution 5 by the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman to exercise the proxy to vote as the Chairman sees fit; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Board recommendation

The Board (with Mr Russell absent and not voting) unanimously recommends that shareholders vote in favour of Resolution 5.

Resolutions 6 & 7 - Provision of financial assistance by NowInfinity and Smartcorp

Background

On 31 January 2020, the Company acquired 100% of the shares in NowInfinity 3505 Pty Ltd (ACN 614 467 926) (**NowInfinity 3505**) and indirectly, the wholly-owned subsidiary of NowInfinity 3505, NowInfinity Pty Ltd (ACN 154 927 376) (**NowInfinity P/L**) (together, referred to as the **NowInfinity Companies**) (**NowInfinity Acquisition**).

Additionally, on 20 August 2020, the Company acquired 100% of the shares in Assuriti Pty Ltd (ACN 158 495 884) (**Assuriti**) and indirectly, the wholly-owned subsidiaries of Assuriti, Company Dynamics Pty Ltd (ACN 058 086 169) and Accounting & Legal Dynamics Pty Ltd (ACN 000 999 860) (together, referred to as the **Smartcorp Companies**) (**Smartcorp Acquisition**).

Around the time of the NowInfinity Acquisition, the Company (as borrower) entered into a Business Finance Agreement with Westpac Banking Corporation (**Lender**), which was amended and restated around the time of the Smartcorp Acquisition (**Finance Agreement**). The Company utilised funds

advanced to it under the Finance Agreement to fund part of the purchase price for the NowInfinity Acquisition and for the Smartcorp Acquisition.

As a result of the:

- NowInfinity Acquisition, the NowInfinity Companies became wholly-owned subsidiaries of the Company; and
- Smartcorp Acquisition, the Smartcorp Companies became wholly-owned subsidiaries of the Company.

One of the conditions of the Finance Agreement is that each of the NowInfinity Companies and each of the Smartcorp Companies is required to guarantee the amounts owing by the Company to the Lender by entering into a Debt and Interest Guarantee and Indemnity Agreement, grant a security interest over all of its assets and undertakings in favour of the Lender by entering into a General Security Agreement, and provide the Lender with right of entry in respect of the premises where its assets are held (together, **Security Documents**).

The Lender agreed to the NowInfinity Companies and Smartcorp Companies delaying entering into the Security Documents on the basis that they would do so once the necessary approvals referred to below for the financial assistance to be provided by the NowInfinity Companies and Smartcorp Companies respectively had been obtained.

Why shareholder approval is required

The entry by the NowInfinity Companies into the Security Documents (and the rights that they will grant the Lender under those documents) will constitute the provision of financial assistance by the NowInfinity Companies to the Company to acquire shares in NowInfinity 3505 for the purposes of sections 260A and 260B of the Corporations Act (**NowInfinity Financial Assistance**).

Similarly, the entry by the Smartcorp Companies into the Security Documents (and the rights that they will grant the Lender under those documents) will constitute the provision of financial assistance by the Smartcorp Companies to the Company to acquire shares in Assuriti for the purposes of sections 260A and 260B of the Corporations Act (**Smartcorp Financial Assistance**).

This is the case even though the NowInfinity Acquisition and Smartcorp Acquisition have already occurred.

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in the company (in this case, the NowInfinity Companies and Smartcorp Companies) only if:

1. giving the financial assistance does not materially prejudice:
 - a. the interests of the company or its shareholders; or
 - b. the company's ability to pay its creditors;
3. the assistance is approved by shareholders under section 260B of the Corporations Act; or
4. the assistance is exempted under section 260C of the Corporations Act.

Section 260B of the Corporations Act relevantly requires the following shareholder approvals:

- under section 260B(1), the approval of the shareholders of the company giving the financial assistance by a special resolution passed at a general meeting of the company (with no votes

being cast in favour of the resolution by the person acquiring the shares or by their associates), or by a resolution agreed to at a general meeting by all ordinary shareholders of the company; and

- under section s260B(2), if the company giving the financial assistance will be a subsidiary of a listed domestic corporation immediately after the share acquisition, a special resolution passed at a general meeting of that corporation.

Shareholder approval is being sought under section 260B of the Corporations Act for the NowInfinity Financial Assistance to be provided by the NowInfinity Companies, and the Smartcorp Financial Assistance to be provided by the Smartcorp Companies as referred to above. For the purposes of such approval, in addition to approval by the shareholders of the NowInfinity Companies and the Smartcorp Companies for the purpose of section 260B(1) of the Corporations Act, the financial assistance must also be approved by a special resolution passed at a general meeting of the Company for the purpose of section 260B(2) of the Corporations Act.

Resolution 6 therefore seeks the approval the Company's shareholders for the NowInfinity Financial Assistance, and Resolution 7 seeks the approval of the Company's shareholders for the Smartcorp Financial Assistance.

Effect of the Financial Assistance

The main effect of the NowInfinity Financial Assistance on the NowInfinity Companies, and the Smartcorp Financial Assistance on the Smartcorp Companies, is that they will guarantee all amounts payable under the Finance Agreement and will provide security over all of their assets and undertakings to secure such obligation in favour of the Lender.

The Company has already granted security over its assets and undertakings in favour of the Lender to secure its obligations under the Finance Agreement. The Company's other wholly-owned subsidiaries have also already provided a guarantee and security in favour of the Lender on terms similar to the Security Documents. As such, the giving of the NowInfinity Financial Assistance by the NowInfinity Companies and Smartcorp Financial Assistance by the Smartcorp Companies will be consistent with the obligations already owed by the Company's other wholly-owned subsidiaries to the Lender.

Reasons for giving the Financial Assistance

The principal advantage to the Company (and, indirectly, each of its subsidiaries including the NowInfinity Companies and the Smartcorp Companies) of the NowInfinity Companies giving the NowInfinity Financial Assistance and the Smartcorp Companies giving the Smartcorp Financial Assistance is to ensure that the Company and its subsidiaries continue to have the benefit of the facilities provided under the Finance Agreement.

If Resolution 6 is not passed by the requisite majority and the NowInfinity Companies do not enter into the Security Documents as required by the Finance Agreement or if Resolution 7 is not passed by the requisite majority and the Smartcorp Companies do not enter into the Security Documents as required by the Finance Agreement, the Company will be in default under the Finance Agreement. If a default occurs under the Finance Agreement, the Lender may (among other things) require repayment of all amounts owing to the Lender, enforce its existing security, or take legal action.

Disadvantages of giving the Financial Assistance

The Board does not consider that the giving of the NowInfinity Financial Assistance or Smartcorp Financial Assistance will have any material adverse effects on the Company. However, it should be noted that there are potential disadvantages and risks associated with the NowInfinity Companies providing the NowInfinity Financial Assistance and the Smartcorp Companies providing the Smartcorp Financial Assistance, including:

- the NowInfinity Companies and Smartcorp Companies will guarantee the payment of all moneys owing to the Lender under the Finance Agreement and indemnify the Lender for any loss; and
- the NowInfinity Companies and Smartcorp Companies will give security over all of their assets and undertakings to the Lender.

Level of approval required

Under section 260B(2) of the Corporations Act, each of Resolutions 6 and 7 must be passed by a special resolution, which requires it to be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Prior notice to ASIC

As required by section 260B(5) of the Corporations Act, a copy of the Notice of Meeting (including this Explanatory Statement) was lodged with the Australian Securities and Investments Commission prior to despatch to the Company's shareholders.

Disclosure of all material information

The Board considers that this Explanatory Statement contains all information known to the Company that would be material to the Company's shareholders in deciding how to vote on each of Resolutions 6 and 7 (other than information that would be unreasonable to require the Company to provide because that information had previously been disclosed to shareholders).

Board recommendation

The Board unanimously recommends that shareholders vote in favour of each of Resolution 6 and Resolution 7.