

2005
Class
Founded

2009
Class Super
Launched

2012
20,000
Billable
Portfolios

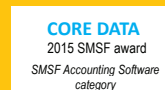
2013
Profitable,
Pays Dividend

2013
40,000
Billable
Portfolios

2015
Class Portfolio
Launched

2015
90,000
Billable
Portfolios

**Major
Award
Wins**



Prospectus

CLASS LIMITED

ACN 116 802 058

10 years in the making



Important notices

General

This Prospectus (**Prospectus**) is dated 26 October 2015 and was lodged with ASIC on that date. It replaces the Prospectus dated 15 October 2015 and lodged with ASIC on that date (Original Prospectus). This Prospectus differs from the Original Prospectus. The differences between this Prospectus and the Original Prospectus include the deletion of quotes, figures and various statements from the Letter from the Chairman; inclusion in the Investment Overview of risks relating to the fact that the Shares offered represent a minority holding and of dilution risks; minor clarification changes to the uses of funds in the sources and uses of funds table in Section 7.3 and the Investment Overview; minor clarification changes to the significant interests table in the Investment Overview for the percentage of shares that will be held by Applicants under the Employee Offer post-Completion and in the footnote relating to the relevant interests that Mr Kibble and his Associates have in Shares; the inclusion of information (including figures) relating to EBITDA and dividends in Section 3.1; the inclusion of a statement regarding the percentage of revenue derived from partner transactions and referrals below Figure 3.1; the inclusion of additional information about the intellectual property held by Class in Section 3.4(e); additional clarification that certain information in Sections 4.2 and 4.3 is non IFRS financial information; clarification of cash flow movements in the table in Section 4.7; additional clarification in the definition of Eligible Customers (including in the Glossary) that “customers” refer to the parties to the licence agreement with Class Group; amendments to reflect that the application for admission of Class to the Official List of ASX has been made; the inclusion of a breakdown of the expenses of the Offer in Section 9.13; and amendments to the Glossary, the Important notices and the Key dates to reflect the lodgement of a replacement Prospectus. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is issued by Class Limited (ACN 116 802 058) (**Company**) and Class SaleCo Limited (ACN 607 643 292) (**SaleCo**). The Offer contained in this Prospectus (**Offer**) is an invitation to acquire fully paid ordinary shares in the Company (**Shares**) at an issue or transfer price of \$1.00 per Share.

It is important that you read this Prospectus carefully and in full before deciding to subscribe for Shares in Class. In particular, you should consider the risk factors that could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues).

Exposure Period

The Corporations Act prohibits the Company from processing applications in the seven day period after the date of the Original Prospectus. This period is known as the

“Exposure Period”. The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Defined terms

Some of the terms used in this Prospectus have defined meanings. These are capitalised and are defined in Section 10 of this Prospectus. Unless otherwise specified, a reference to a monetary amount is a reference to that amount in Australian dollars and a reference to a time is a reference to Australian Eastern Daylight Time (AEDT).

Not financial product advice

The information in this Prospectus is not financial product advice and has been prepared without taking into account your financial objectives, financial situation or particular needs (including financial or taxation issues).

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risks that could affect the financial performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser before deciding whether to invest in the Company. Some of the risks that should be considered by prospective investors are set out in Section 6. There may be additional risks to those set out in Section 6 that should be considered in light of your personal circumstances.

Expiry date

No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

ASX listing

The Company has applied for admission to the Official List of ASX and quotation of the Shares on ASX.

If the Company is admitted and the Shares are quoted, this should not be taken as an indication of the merits of the Company or the Shares.

The Company does not intend to issue, and SaleCo does not intend to transfer, any Shares pursuant to this Prospectus unless and until permission has been granted for the Shares to be quoted on ASX on terms acceptable to the Company. If permission is granted, quotation of the Shares will commence as soon as practicable after holding statements are despatched.

If permission is not granted for the Shares to be quoted before the end of three months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received pursuant to this Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or to otherwise permit an Offer of Shares outside of Australia.

This Prospectus may not be distributed to, or relied upon by, persons in the United States (**U.S.**). In particular, the Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the U.S. and may not be offered or sold, directly or indirectly, in the U.S., except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and applicable state securities laws of the U.S.

Obtaining a copy of this Prospectus

A hard copy of this Prospectus is available free of charge to any person within Australia by calling the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) between 8:30am and 5:30pm Australian Eastern Daylight Time (AEDT) Monday to Friday during the Offer Period.

This Prospectus is also available in electronic form to any Australian investor at the Company's website: www.class.com.au.

Any person accessing the electronic version of this Prospectus for the purpose of lodging an Application Form for Shares must be an Australian resident and must only access the information from within Australia. Shares will only be issued under the electronic version of the Prospectus on receipt of an Application Form attached to or accompanying the electronic version of this Prospectus. Persons who access the electronic version of the Prospectus should ensure they download and consider the full Prospectus.

By making an Application, you represent and warrant that you were given access to the Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, a paper version of this Prospectus or a complete and unaltered electronic version of this Prospectus.

The Company's website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus.

Disclaimer

You should only rely on information contained in this Prospectus. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors, SaleCo, the SaleCo Directors or any other person in connection with the Offer.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus may contain forward looking statements which have not been based solely on historical facts but on the Company's expectations about future events and results. Forward looking statements may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of the Original Prospectus, are expected to take place. Such forward looking statements are not guarantees of future performance and involve uncertainties, assumptions and known and unknown risks, including the risks set out in Section 6 and other important factors that could cause actual events or outcomes to differ materially from the events or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company, its Directors, SaleCo and the SaleCo Directors.

The Company, its Directors, SaleCo and the SaleCo Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Important notices continued

Except where required by law, the Company and SaleCo have no intention of updating or revising any forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

This Prospectus uses market data and third party estimates and projections (including in the overview of the industry in Section 2). There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company and SaleCo have not independently verified this information. Estimates and projections involve risks and uncertainties and are subject to change based on various factors, including those discussed in relation to the risk factors set out in Section 6.

Statements of past performance

This Prospectus includes information regarding the past performance of the Class Group. Investors should be aware that past performance is not indicative of future performance.

Privacy

By completing and submitting the Application Form to apply for Shares, Applicants will be providing personal information to the Company and SaleCo (directly or via the Share Registry), agents, contractors and third party service providers (**Collecting Parties**). The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information that the Collecting Parties collect from investors on the Application Form is used to evaluate Applications and in the case of successful Applications, to provide services and appropriate administration in relation to the Applicant's security holdings in the Company. If the Collecting Parties are obliged to do so by law, Applicants' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for our records, the Collecting Parties will destroy or de-identify it.

By submitting an Application Form, each Applicant agrees that the Collecting Parties may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company and SaleCo and their related bodies corporate, agents, contractors and third party service providers, including printers, mailing houses and professional advisers and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder, the Corporations Act requires that the Company includes information about the security holder (including name, address and details of the securities held) in its public

register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's registers is also used to facilitate dividend and distribution payments and corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its security holders) and for the purpose of compliance with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Collecting Parties (as relevant) may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Collecting Parties hold about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the relevant Collecting Party's registered office. Such requests to the Company and the Share Registry should be directed to the Privacy Offer at:

privacy@class.com.au
PO Box A347, Sydney South NSW 1235

Photographs and diagrams

Photographs used in this Prospectus should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets or equipment shown are owned or used by the Class Group. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of the Original Prospectus.

Independent Limited Assurance Report and Financial Services Guide

The provider of the Independent Limited Assurance Report on Historical and Pro Forma Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Independent Limited Assurance Report and accompanying Financial Services Guide are provided in Section 5.

Questions

If you have any other questions in relation to the Offer, please contact the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) between 8:30am and 5:30pm (AEDT), Monday to Friday.

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser. This is an important document that should be read in its entirety before making any investment decision.

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Key Information

Key dates

Prospectus lodgement date	Monday, 26 October 2015
CTC Offer, Employee Offer and General Offer opens	Friday, 30 October 2015
CTC Offer closes	5:00pm (AEDT) on Friday, 27 November 2015
Employee Offer and General Offer closes	5:00pm (AEDT) on Friday, 4 December 2015
Issue and transfer of Shares under the Offer	Thursday, 10 December 2015
Dispatch of Holding Statements	Friday, 11 December 2015
Expected commencement of trading	Wednesday, 16 December 2015

Other than the date of lodgement of this Prospectus, the above dates are subject to change and are indicative only. Unless otherwise indicated, all times are AEDT. The Company and SaleCo reserve the right to vary the dates and times of the Offer, including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the closing date of the Offer or to accept late Applications (either generally or in particular cases), without notifying any recipient of this Prospectus or any Applicants. The Company and SaleCo also reserve the right not to continue with the Offer at any time before the issue or transfer of Shares to successful Applicants. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

If the Offer is cancelled or withdrawn before the issue or transfer of Shares, then all amounts accompanying the Application Form will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

The quotation and commencement of trading of Shares is subject to confirmation by ASX.

Key Offer statistics

Offer Price	\$1.00 per Share
Total number of Shares offered under this Prospectus	Up to 29,860,876
Comprising:	
- Number of New Shares to be issued under the Offer	5-10 million
- Number of Existing Shares to be sold under the Offer ¹	17,874,788 – 19,860,876
Number of Shares to be held by Existing Shareholders on Completion of the Offer ²	91,489,804 – 93,475,892
Total number of Shares on issue on Completion of the Offer ³	116,350,680 – 121,350,680
Total proceeds from the Offer ⁴	Up to \$29,860,876
Comprising:	
- Proceeds from the issue of New Shares	\$5-\$10 million
- Proceeds from the sale of Existing Shares (and which will be paid by SaleCo to the Selling Shareholders)	Up to \$19,860,876
Indicative market capitalisation ⁵	\$116.35-\$121.35 million
Indicative enterprise value ⁶	\$105.14 million
Indicative enterprise value to FY15 EBITDA ratio ⁷	17.63x
Indicative market capitalisation to FY15 NPAT ratio ⁸	31.25x

How to invest

Applications for Shares can only be made by completing and lodging the Application Form (which includes the online Application Form) attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus.

¹ The Company has received offers from Existing Shareholders to sell a maximum of 19,860,876 Shares to SaleCo, which if purchased by SaleCo, will be sold under the Offer.

² SaleCo and the Company reserve the right to accept offers from Existing Shareholders in respect of a fewer number of Existing Shares than the maximum number offered (see footnote 1 above). In addition, Existing Shareholders have until the date that is 14 days after the date of the Original Prospectus to withdraw their offers (either in whole or in part). Therefore, this range assumes that Existing Shareholders will withdraw no more than 10% of the total number of Existing Shares offered for sale to SaleCo. It also excludes any Shares that Existing Shareholders may acquire under the Offer, as Existing Shareholders are not precluded from applying for Shares under the Offer.

³ This range is based on between 5 million and 10 million New Shares being issued under the Offer.

⁴ This includes the proceeds received from the sale of Existing Shares as well as from the issue of New Shares.

⁵ Indicative market capitalisation is calculated based on 111.35 million Shares currently on issue plus the range of between 5 million and 10 million New Shares being issued under the Offer multiplied by the Offer Price.

⁶ Indicative enterprise value is calculated based on the indicative market capitalisation less cash as pro forma cash (refer to Section 4.12).

⁷ This ratio is commonly referred to as the EV/EBITDA ratio, and is calculated as the Indicative enterprise value divided by the FY15 statutory EBITDA of \$5.963 million. EBITDA is earnings before interest, tax, depreciation and amortisation (refer to Section 4.2 for more details).

⁸ This ratio is commonly referred to as a price earnings or PE ratio. The PE ratio is calculated as the Offer Price divided by FY15 statutory NPAT per share of 3.2 cents (being FY15 NPAT of \$3.406 million (refer to Section 4.2 for more details) divided by weighted average number of ordinary shares outstanding during FY15).

Letter from the Chairman



Barry Lambert
Chairman
Class Limited

Dear Investor

On behalf of the Directors, it is my pleasure to invite you to consider becoming a shareholder in Class Limited (**Class** or the **Company**).

Class is the leading provider of cloud-based administration software for self managed super funds (**SMSFs**) in Australia.

The number of SMSFs, and the funds they control, have grown significantly to become the largest sector of the Australian superannuation industry, with more than 550,000 SMSFs⁹ controlling \$590 billion in funds¹⁰. Class' flagship product, Class Super, was introduced in 2009 and at the end of September 2015 was used by more than 800 customers to administer over 90,000 SMSFs, or 16% of the SMSF market by fund numbers.

Class' success has been driven by SMSF administrators moving from desktop and non-specialised software to its efficient cloud-based solution that integrates real-time data feeds and facilitates collaboration between SMSF trustees and their professional advisers.

The Directors believe that the strong growth of Class' Billable Portfolios will continue as more SMSF administrators switch to a cloud-based solution or otherwise choose its products. The Company will also accelerate its marketing of Class Portfolio, a cloud-based investment administration solution for non-SMSF portfolios. Class Portfolio is already used for the administration of more than 1,000 non-SMSF Billable Portfolios.

Class has a subscription based business model. It charges a licence fee per portfolio¹¹. The Company has never had bank borrowings. Initial funding came from the Company's shareholders and, more recently, from profits.

Class is seeking a Listing to provide liquidity to its current Shareholders, allow its customers to become direct stakeholders in Class (through the Contribution to Class Offer (CTC Offer)¹²), and provide Class with better access to a deeper pool of equity capital that may be required for future growth. Achieving that growth may include making acquisitions, although the Company is not considering any proposals at this time.

The amount of new funds to be raised is relatively small, at a minimum of \$5 million and a maximum of \$10 million. The remainder of the Shares being offered are from Existing Shareholders to provide them with the opportunity to realise part of their investment in Class.

This Prospectus contains detailed information about Class, the industry in which Class operates, its financial and operating performance, and the Offer. An investment in Class is subject to a range of risks including the ability of Class to attract and retain customers (which is heavily dependent on continued product development and innovation), competition from existing or new competitors, and significant disruption or failure of Class' technology platform. Key risks relating to an investment in the Company are detailed in Section 6. I encourage you to read this Prospectus carefully and in full before making your investment decision.

On behalf of the Directors, I look forward to welcoming you as a shareholder of Class.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Lambert', written in a cursive style.

Barry Lambert
Chairman

⁹ Australian Taxation Office, *Self-managed super fund statistical report – June 2015*.

¹⁰ APRA, Quarterly Superannuation Statistics, June 2015.

¹¹ As the number of portfolios increase, so does revenue.

¹² The CTC Offer is the component of the Offer described in Section 7.7.

1. Investment Overview



1. Investment Overview

Item	Summary	Further information
Overview of Class		
What is Class?	<p>Class is the leading provider of cloud-based administration software solutions tailored to the requirements of SMSF administrators in Australia.</p> <p>Class was founded in 2005, with the intention to address the needs of SMSF administrators in what was, and remains, a growing market. It was able to deliver an industry-first cloud based software solution capable of scale and efficiencies for its users.</p> <p>Class' mission is to deliver innovative administration solutions that automate manual workloads, driving high levels of processing efficiency and scalability.</p>	Section 3.1
What industry does Class operate in?	<p>Class' products compete in the SMSF administration software market. The ongoing growth of SMSFs has resulted in an increase in demand for specific software solutions, as opposed to alternatives such as spreadsheets and manual record keeping.</p> <p>The industry is being driven by two significant growth trends:</p> <ul style="list-style-type: none"> the increasing number of Australians choosing to manage their superannuation through SMSFs; and the shift away from traditional desktop-based software systems to online-based cloud solutions. 	Section 2
What products and services does Class offer?	<p>Class has two key cloud-based products.</p> <p>Class Super, launched in February 2009, is the Company's original portfolio administration product. It is an automated, scalable solution that streamlines all aspects of SMSF administration from setup to lodgement.</p> <p>Class Portfolio, launched in October 2015, is an investment portfolio administration tool for non-SMSF portfolios. It streamlines investment portfolio accounting, reporting and administration.</p>	Section 3.2
Who are Class' customers?	<p>Class primarily sells its cloud-based software solutions to professionals who administer SMSFs on behalf of clients. These SMSF administrators are generally specialist SMSF administrators, accountants or financial advisers.</p> <p>Class utilises two primary channels for marketing and selling its products:</p> <ul style="list-style-type: none"> accountants and other business partners: sales made through referrals from Class' business partners, predominantly accountants, advisers and auditors; and direct sales: from the Class website and sales force. 	Section 2.4

Item	Summary	Further information
Key features of Class' business model		
How does Class derive its revenue?	<p>Class generates revenues in three main ways:</p> <ul style="list-style-type: none"> • software subscription fees: clients making monthly subscription payments to use the Class software; • partner transaction fees: a facilitation fee paid to Class for allowing partners to make their products available on its software; and • partner referral fees: a fee paid to Class if a client chooses to sign on to a partner's product or service via integration application and provisioning systems. 	Section 3.6(a)
What are Class' key expense items?	<p>Class' primary costs are employee expenses, which accounted for \$6.4m in FY15, or 66.6% of total costs. Class employed 55 FTEs as at 30 June 2015, and has increased headcount year-on-year since FY13 as the business has grown.</p> <p>Other key expenses include:</p> <ul style="list-style-type: none"> • data and hosting: cost associated with hosting cloud-based products and data feed requirements; and • other: inclusive of external contractors, marketing, professional fees and rental costs. 	Sections 4.5, 4.6 and 4.7
How many Billable Portfolios does Class have and has this number grown in recent times?	<p>As at 30 September 2015, Class had 90,058 Billable Portfolios on its Class Super platform, and 1,036 using Class Portfolio.</p> <p>Billable SMSF portfolios have grown at an average of 20,000 p.a. for the last three years. Market share (in terms of total registered SMSFs) has grown from 3.5% to 14.6% in those three years.</p> <p>In the FY15 over 27,000 Billable SMSF Portfolios were added, and SMSF market share increased from 10.2% to 14.6%.</p>	Section 3.4
What are the key strategies of Class?	<p>Key elements of Class' business strategy include:</p> <ul style="list-style-type: none"> • reinforcing and expanding its leadership in the cloud-based SMSF software market; • expanding its position as a provider of solutions to non-SMSF investment portfolios; • growing its Partner Program, which supports third parties that have developed solutions around Class' products; • improving efficiencies within the business; and • exploring opportunities to develop new financial technology solutions. 	Section 3.7

1. Investment Overview continued

Item	Summary	Further information
Key strengths of Class' business		
Market leading provider of cloud-based SMSF administration solutions	<p>Class' primary portfolio administration solution, Class Super, is used by more than 800 customers to manage over \$95 billion across over 90,000 SMSFs, representing approximately 16% of the SMSF market by fund numbers.</p> <p>Class has gained most of the growth in the SMSF administration software market since 2013 as accountants and other administrators have adopted Class Super as their first SMSF administration tool or as a replacement for desktop or other cloud-based services.</p> <p>Class is the clear leader in the cloud-based SMSF administration software market, with over two-thirds of that market using Class Super.</p>	Section 3.4
Attractive industry dynamics	<p>Class is expected to benefit from both the increasing number of Australians managing their superannuation using SMSFs, and the ongoing shift toward cloud-based software systems.</p> <p>SMSFs are the largest sector of the Australian superannuation industry, comprising an estimated \$590 billion of assets¹³ managed by over 550,000 SMSFs¹⁴. This number is expected to grow to \$2.23 trillion by 2033¹⁵ as the Superannuation Guarantee increases from 9.5% to 12.0%.</p> <p>The penetration of cloud-based software within SMSF administration market is expected to continue as users recognise the cost, productivity and accuracy benefits that can be realised. An estimated 24% of SMSFs are now administered using cloud-based services as opposed to traditional desktop solutions.</p>	Section 2
Quality data feeds	<p>Class has developed a deep competence in delivering reliable, robust and scalable direct-connect data feeds. Its techniques include using data matching, processing and reconciliation to record business events and auto-journal general ledger entries.</p> <p>Class has built an extensive portfolio of high quality direct-connect data feeds from banks, brokers and wrap providers.</p>	Section 3.3

¹³ APRA, Quarterly Superannuation Statistics, June 2015.

¹⁴ Australian Taxation Office, *Self-managed super fund statistical report – June 2015*.

¹⁵ Deloitte, *Dynamics of the Australian superannuation system: The next 20 years*, September 2013.

Item	Summary	Further information
High customer retention rates	<p>The SMSF software market is characterised by high retention rates due to the complexity and cost involved in migrating to a new system. Notwithstanding that Class has consistently maintained an exceptionally high level of customer retention, with retention rates of over 99% in FY15.</p> <p>This higher rate reflects the customer's high level of satisfaction with the Class product. In April 2015, Class was rated the top SMSF software provider among accountants in terms of overall customer satisfaction.¹⁶</p>	Section 3.6(b)
Proven management team	<p>Class' senior management team has considerable experience, across both cloud software and the superannuation industry.</p> <ul style="list-style-type: none"> • Kevin Bungard, Chief Executive Officer, has been with Class since 2008, and was appointed CEO in 2014. Kevin has over 30 years' experience developing software solutions and applying technology in the financial services and superannuation administration industries. • Glenn Day, Chief Financial Officer, joined Class in 2008, and has more than 15 years' experience in the financial services and superannuation industries, including previously as Head of Finance for an ASX-listed entity. 	Section 8.2

Key risks of Class' business

The business, assets and operations of Class are subject to certain risk factors that have the potential to influence future operating and financial performance. These risks may have an impact on the value of an investment in Shares. The Board aims to manage these risks by carefully planning its activities and implementing risk mitigation control measures. Some risks are unforeseeable and so the extent to which these risks can be effectively managed is limited.

Set out below are specific key risks to which Class is exposed. Further general risks associated with an investment in Class are outlined in Section 6.

¹⁶ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

1. Investment Overview continued

Item	Summary	Further information
Failure to attract and retain customers	<p>Class' key customers are accountants and others who administer SMSFs on behalf of clients. The top five customers of Class currently contribute approximately 17% of the licence fees paid to Class.</p> <p>Customers may terminate their contracts with Class if an existing or new competitor introduces a competing product which is perceived by customers to be superior to Class' products or Class introduces a product, or makes changes to its existing products, that are not well received by customers. There is also the risk that Class may fail to maintain its current customer service standards or may not develop product offerings that meet its customers' future requirements.</p>	Section 6.1(a)
Competition	<p>Class operates in a competitive market. There is a risk that existing or new competitors could gain market share through product innovation, price discounting or aggressive marketing campaigns. In addition, Class could lose customers and market share if it fails to adapt to technological and regulatory changes or customer expectations at the same rate as its competitors.</p>	Section 6.1(b)
Fee risks	<p>Class charges licence fees to its customers for use of its products. There is a risk that Class may not be able to maintain its revenue per customer. This may occur, for example, due to price discounting by competitors or if customers do not perceive value in Class' products.</p>	Section 6.1(c)
Product development, maintenance and support	<p>The retention and growth by Class of its customer base is dependent on continued product development and innovation, and the level of maintenance and customer support. Class may need to invest more on these matters than anticipated due to competitor activity, technological advances or regulatory changes.</p> <p>This increased investment could lead to reduced return on its products as well as delays in introducing product innovations to the market. This may impact on Class' brand and reputation, business and financial performance.</p>	Section 6.1(d)
New products	<p>Class' strategy involves the introduction of new product offerings and products, or the expansion into other markets. There is a risk that these strategies may result in unforeseen costs or risks, or may not deliver the outcomes intended. There may also be unforeseen delay in the introduction of such products which may have an impact on the Class' brand and reputation.</p>	Section 6.1(e)

Item	Summary	Further information
Decline in SMSF sector	<p>The volume and growth of Class' customers is linked to the size and growth of the SMSF sector.</p> <p>There is a risk that the SMSF sector may not grow as anticipated or may decline, for example due to changes in regulation (see next page), increased administrative costs associated with establishing or maintaining a SMSF, or a downturn in the Australian economy. This would have a material adverse impact on Class' current business and operations, and financial performance.</p>	Section 6.1(f)
Regulation changes	<p>Changes to laws, regulations, standards and practices applicable to the industry in which Class operates (for example, changes applicable to the administration of SMSFs, changes to super contribution caps and changes to the tax treatment of super) will have an impact on Class' business. If Class fails to adequately respond to such changes, such as by making changes to its product offerings, its current business may be materially adversely affected.</p>	Section 6.1(g)
Arrangements with third party suppliers	<p>Class could face business disruption, reputational damage and significant additional costs if:</p> <ul style="list-style-type: none"> any of its third party providers should suffer outages which results in disruption to service to Class' technology platform; any of its third party providers fail to perform their obligations to Class as contracted for whatever reason; or Class' arrangements with such providers are terminated or altered in any way that is detrimental to Class or the functioning and features of its products, and Class is not able to find alternative sources of supply of the relevant product or service on commercially reasonable terms on a timely basis. 	Section 6.1(h)

1. Investment Overview continued

Item	Summary	Further information
Technology risks	<p>Data loss or corruption and security breaches</p> <p>Cyber attacks or exploitation of some unidentified vulnerability in Class' technology platform could lead to loss, theft or corruption of data. This could render the platform unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of customers' data, resulting in reputational damage, claims from customers and their clients and regulatory scrutiny and fines. This could lead to adverse impacts on Class' revenue and financial performance.</p> <p>Disruption to Class' technology platform</p> <p>There is a risk of disruption to Class' technology platform for reasons which may include, without limitation:</p> <ul style="list-style-type: none"> • failure in the design and construction of the platform (including inability for the platform to handle an increase in customers, or errors and omissions in the performance of tasks or functions on the platform); and • a force majeure event that affects the systems of either Class or its suppliers. 	Sections 6.1(i) and 6.1(j)
Protection of intellectual property	<p>There is a risk that unauthorised use or copying of Class' software, data, technology or trade mark may occur.</p> <p>In addition, there may be a risk that the validity, ownership or use of intellectual property relating to Class' business is challenged by third parties.</p> <p>Class may be required to incur significant costs and expenses in protecting its intellectual property rights or defending claims by third parties for infringement of intellectual property rights. If Class is not successful in any such litigation or claims, it may be required to pay damages and costs to third parties. In addition, if any such claims result in Class being unable to continue to use any of its key intellectual property, and it is unable to find a cost-effective alternative, then this may materially adversely impact on Class' reputation, business, operations and financial performance.</p> <p>There is also the risk that if Class develops new intellectual property in the future, it may not be able to obtain adequate legal protection for such intellectual property.</p>	Section 6.1(k)

Item	Summary	Further information	
Compliance with regulation	Class is subject to regulation concerning how its business is conducted. A significant failure to comply with regulatory requirements, including in relation to data and information privacy, may result in, amongst other things, Class incurring a penalty or censure which restricts the normal conduct of business, the suspension or cancellation of a required licence or registration, reputational damage, and an adverse impact on Class' business and financial performance.	Section 6.1(l)	
Key personnel risk	Changes that adversely affect Class' ability to retain key personnel or an inability to recruit or retain suitable replacement or additional personnel could materially impact Class' business, operational performance and financial results.	Section 6.1(m)	
Shares offered represent minority holding	The total number of Shares issued and sold under the Offer will represent a minority holding in the Company, at between 21.37% (at the minimum subscription) and 24.61% (at the maximum subscription).	Section 7.1	
Risk of dilution	Class may elect to issue Shares in connection with fund raising or other future developments. There is a risk that the future sale of additional equity could result in dilution for Shareholders.	Section 6.3(c)	
Key financial information			
What are the key investment metrics for FY15?	FY15 EBITDA	\$5.963 million	Section 4.2
	FY15 earnings per Share	3.2 cents	
	Indicative enterprise value/FY15 EBITDA	17.63x	
	Indicative Offer Price/FY15 earnings per Share	31.25x	
	Section 4.10 sets out the consolidated historical and pro forma statement of financial position of Class as at 30 June 2015.		

1. Investment Overview continued

Item	Summary	Further information
How does Class expect to fund its operations and future business expansion?	<p>Class and SaleCo will raise cash proceeds from the Offer of up to \$29,860,876 in aggregate,¹⁷⁺¹⁸ of which between \$5,000,000 and \$10,000,000¹⁸ will be proceeds raised by Class and the remaining amount will be proceeds raised by SaleCo (which will be paid by SaleCo to the Selling Shareholders).</p> <p>Assuming that Completion of the Offer and related transactions disclosed in this Prospectus had occurred as at 30 June 2015, Class would have had cash balances between the range of \$11.209 million - \$16.208 million, net tangible assets of between \$10.784 million and \$15.783 million and expects to have continued access to cash flows from operations.</p> <p>The Directors believe that, on Completion of the Offer, Class will have sufficient working capital to carry out the objectives stated in this Prospectus.</p>	Section 4.10
What is the Company's dividend policy?	<p>The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors, including the operating results and financial condition of the Company, general business conditions, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions (including under the Corporations Act) on the payment of dividends by the Company, and any other factors the Directors may consider relevant at that time.</p> <p>Subject to the factors referred to above, from 1 July 2017, the Directors intend to target a dividend payout ratio in the range of 50% to 80% of NPAT (before significant items). Dividends are currently unfranked due to the utilisation of historical tax losses and treatment of the R&D tax incentive. Commencement of franking of dividends will depend on the amount of tax payable by the Company.</p> <p>No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.</p> <p>Subject to maintaining the Billable Portfolio numbers as at 30 September 2015 and its FY15 NPAT margin (as outlined in Section 4.3), the Directors expect that an unfranked dividend of 0.75 cents per quarter (or 3 cents per annum) will be paid in respect of FY16. The first quarterly dividend for FY16 of 0.75 cents has already been declared on Shares held by Shareholders on the register as at close of business on 25 September 2015.</p>	Section 4.15

¹⁷ This includes proceeds raised from the sale of Existing Shares as well as from the issue of New Shares.

¹⁸ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer, as no cash payment is required to be made by Applicants under the Employee Offer.

Item	Summary	Further information
Key people		
Who are the directors of Class?	<ul style="list-style-type: none"> • Mr Barry Lambert – Non-Executive Chairman • Mr Kevin Bungard – Chief Executive Officer and Managing Director • Mr Anthony Fenning – Independent Non-Executive Director • Ms Kathryn Foster – Independent Non-Executive Director • Mr Roderick Kibble – Non-Executive Director • Mr Matthew Quinn – Independent Non-Executive Director • Mr Rajarshi Ray – Non-Executive Director 	Section 8.1
Who is the key management of Class?	<ul style="list-style-type: none"> • Mr Kevin Bungard – Chief Executive Officer • Mr Glenn Day – Chief Financial Officer and Company Secretary • Mr Panos Alexandratos – Chief Operations Officer • Mr Richard Barber – Sales Director • Mr Bob Groneman – Chief Technology Officer • Ms Lilian Keaty – Marketing Director 	Section 8.2

1. Investment Overview continued

Item	Summary			Further information		
Significant interests, benefits and related party transactions						
Who are the Shareholders before the Offer and what will be their interest post Completion of the Offer?		Shares before the Offer	% held	Shares issued / (sold) ¹⁹	Shares held post-Completion ¹⁹	% held post-Completion ²⁰
	Troncell Pty Limited (held for the following beneficial holders):					
	<The Kibble Superannuation Fund> ²¹	10,774,756	9.7%	(2,540,000)	8,234,756	7.1%
	<The PD Kibble Family Trust> ²¹	9,520,944	8.5%	(500,000)	9,020,944	7.7%
	KEW Superannuation Fund Pty Ltd <The KEW Super Fund>	11,186,848	10.0%	(2,000,000)	9,186,848	7.9%
	Joseph Charles Camuglia & Kirsten Ingret Camuglia <The Joseph Camuglia Superannuation Fund>	7,042,780	6.3%	(1,042,780)	6,000,000	5.1%
	Profitous Pty Ltd <The Marishel Superannuation Fund>	6,517,996	5.9%	(1,200,000)	5,317,996	4.6%
	Keith Finkelde & Anne Margaret Finkelde & Irene Frances Finkelde & Wayne Trevor Finkelde <The A & K Finkelde Superannuation Fund>	5,647,128	5.1%	(800,000)	4,847,128	4.2%
	Employee Shareholders	17,571,524	15.8%	(5,213,118)	12,358,406	10.6%
	Other Existing Shareholders	43,088,704	38.7%	(6,564,978)	36,523,726	31.4%
	SUB TOTAL	111,350,680	100%	(19,860,876)	91,489,804	78.6%
	Applicants under the CTC Offer ²²			(18,000,000)	18,000,000	15.5%
	Applicants under the Employee Offer ²³			(43,000)	43,000	0.037%
	Applicants under the General Offer ²⁴			(6,817,876)	6,817,876	5.9%
	TOTAL			(44,721,752)	116,350,680	100%

19 Assumes that no Existing Shareholder who has offered to sell Existing Shares to SaleCo under the sell down withdraws its offer (either in whole or in part). Existing Shareholders have offered to sell a total of 19,860,876 Existing Shares under the sell down. This also assumes that 5,000,000 New Shares are issued under the Offer.

20 Assumes that none of the Existing Shareholders applies for Shares under the Offer. Existing Shareholders are not precluded from applying for Shares under the Offer. Some Eligible Employees are also Existing Shareholders.

21 These entities are associated with Mr Kibble. As at the date of this Prospectus, Mr Kibble and his Associates hold relevant interests in a total of 22,884,320 Shares (which are held by entities in addition to those listed in this table). See Section 8.4(c).

22 Assumes that applicants under the CTC Offer apply for, and are allocated, 18,000,000 Shares under the CTC Offer.

23 Assumes that all of the Eligible Employees who receive an invitation to apply for Shares under the Employee Offer, apply for 100% of the Shares offered under the Employee Offer.

24 Assumes that the total number of Shares issued and sold under the Offer is 24,860,876 (comprising 19,860,876 Existing Shares and 5,000,000 New Shares).

Item	Summary		Further information																		
What significant benefits and interests are payable to related parties of Class and other persons connected with the Offer?	Key people	Benefit or interest	Sections 8.4 to 8.7																		
		Directors																			
	As at the date of this Prospectus, the following Directors and their Associates hold relevant interests in the following number of Shares, and have offered to sell the following number of those Shares to SaleCo:																				
	<table><tr><th>Director</th><th>No. of Shares held at the date of this Prospectus</th><th>No. of Shares offered to sell to SaleCo</th></tr><tr><td>Barry Lambert</td><td>184,150</td><td>36,830</td></tr><tr><td>Kevin Bungard</td><td>2,936,572</td><td>660,000</td></tr><tr><td>Kathryn Foster</td><td>979,140</td><td>195,828</td></tr><tr><td>Roderick Kibble</td><td>22,884,320</td><td>3,220,000</td></tr><tr><td>Rajarshi Ray</td><td>1,630,740</td><td>180,000</td></tr></table>			Director	No. of Shares held at the date of this Prospectus	No. of Shares offered to sell to SaleCo	Barry Lambert	184,150	36,830	Kevin Bungard	2,936,572	660,000	Kathryn Foster	979,140	195,828	Roderick Kibble	22,884,320	3,220,000	Rajarshi Ray	1,630,740	180,000
	Director	No. of Shares held at the date of this Prospectus		No. of Shares offered to sell to SaleCo																	
	Barry Lambert	184,150		36,830																	
Kevin Bungard	2,936,572	660,000																			
Kathryn Foster	979,140	195,828																			
Roderick Kibble	22,884,320	3,220,000																			
Rajarshi Ray	1,630,740	180,000																			
Directors may also apply for Shares under the General Offer. As at the date of this Prospectus, Mr Lambert has indicated an intention to apply for Shares in the General Offer. Final Directors' shareholdings will be notified to ASX following Listing.																					
Directors are also entitled to directors' fees, and the benefit of a deed of indemnity and directors' and officers' insurance.																					
Management team	Management of the Company are entitled to remuneration for their services and have also been granted Options under the ESOP. Members of the senior management team also have the benefit of a deed of indemnity from the Company.																				
	Some members of the management team are also Selling Shareholders.																				
Selling Shareholders	Proceeds from the sale of some or all of their Shares in the Company to SaleCo.																				
Advisers and other service providers	Fees for services																				

1. Investment Overview continued

Item	Summary	Further information
Key terms of the Offer		
Who is the issuer of this Prospectus?	Class Limited (ACN 116 802 058) and Class SaleCo Limited (ACN 607 643 292)	
What is SaleCo?	SaleCo is a special purpose vehicle established to facilitate the sale by Selling Shareholders of part of their shareholding in Class. SaleCo will purchase Existing Shares from the Selling Shareholders and transfer them to successful Applicants under the Offer. SaleCo will be wound up as soon as practicable after Completion of the Offer.	Section 7.5
What is being offered and at what price?	<p>This Prospectus relates to an Offer of up to 29,860,876 Shares in Class (comprising 5,000,000 to 10,000,000 New Shares, and up to 19,860,876 Existing Shares) at an Offer Price of \$1.00 per Share.</p> <p>If 5,000,000 New Shares are issued by Class and 19,860,876 Existing Shares are sold by SaleCo, then the total number of Shares issued and sold under the Offer will represent 21.37% of the Shares on issue at Completion of the Offer.</p> <p>If 10,000,000 New Shares are issued by Class and 19,860,876 Existing Shares are sold by SaleCo, then the total number of Shares issued and sold under the Offer will represent 24.61% of the Shares on issue at Completion of the Offer.</p> <p>The Offer will raise up to \$29,860,876²⁵, comprising between \$5,000,000 and \$10,000,000²⁵ from the issue of New Shares by Class and up to \$19,860,876 from the sale of Existing Shares by SaleCo.</p>	Sections 7.1 and 7.6

²⁵ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

Item	Summary	Further information
What is the purpose of the Offer?	<p>The Offer is being conducted to:</p> <ul style="list-style-type: none"> • provide Class with the financial flexibility and access to capital markets to more rapidly implement its future strategic plans; • boost the financial strength of Class and support its business strategies set out in Section 3.7; • provide Class with better access to a deeper pool of equity capital that may be required for future growth; • provide a liquid market for the Company's Shares and an opportunity for new shareholders (including its customers) to invest in Class; and • assist in retaining and attracting employees by providing the opportunity to own shares in a publicly listed entity. <p>If Applications are received for more than the minimum subscription level of \$5,000,000 then the Offer will also provide Existing Shareholders with the opportunity to realise part of their investment in Class.</p>	Section 7.3
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • the CTC Offer, which is open to Eligible Customers and Eligible Nominees; • the Employee Offer, which is open to Eligible Employees; and • the General Offer, which is open generally to investors who are residents of Australia. 	Sections 7.2, 7.7, 7.8 and 7.9
What are the key dates of the Offer?	Refer to the Key Information section for key dates of the Offer.	Key Information

1. Investment Overview continued

Item	Summary	Further information																														
How will the proceeds of the Offer be used?	<p>Up to \$29,860,876 will be raised under the Offer.²⁶</p> <p>The following table details the sources of funding (including the proceeds of the Offer) and the uses of those amounts:</p> <table> <tr> <th>\$'000 Sources</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Cash proceeds received from transfer of Existing Shares by SaleCo²⁷</td><td>-</td><td>19,861</td></tr> <tr> <td>Cash proceeds received from issue of New Shares by Class²⁸</td><td>5,000</td><td>10,000</td></tr> <tr> <td>Repayment by management of non-recourse loans²⁹</td><td>-</td><td>2,864</td></tr> <tr> <td>Total sources</td><td>5,000</td><td>32,725</td></tr> <tr> <td colspan="3">Uses</td></tr> <tr> <td>Payment by SaleCo to Selling Shareholders²⁷</td><td>-</td><td>19,861</td></tr> <tr> <td>Payment of costs of the Offer</td><td>935</td><td>936</td></tr> <tr> <td>Increase in cash and cash equivalents</td><td>4,065</td><td>11,928</td></tr> <tr> <td>Total uses</td><td>5,000</td><td>32,725</td></tr> </table>	\$'000 Sources	Minimum Subscription	Maximum Subscription	Cash proceeds received from transfer of Existing Shares by SaleCo ²⁷	-	19,861	Cash proceeds received from issue of New Shares by Class ²⁸	5,000	10,000	Repayment by management of non-recourse loans ²⁹	-	2,864	Total sources	5,000	32,725	Uses			Payment by SaleCo to Selling Shareholders ²⁷	-	19,861	Payment of costs of the Offer	935	936	Increase in cash and cash equivalents	4,065	11,928	Total uses	5,000	32,725	Section 7.3
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Increase in cash and cash equivalents	4,065	11,928																														
Total uses	5,000	32,725																														
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 7.6																														

²⁶ This includes proceeds raised from the sale of Existing Shares as well as from the issue of New Shares, but excludes any Shares issued or transferred under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

²⁷ Assumes that no Existing Shareholder who has offered to sell Existing Shares to SaleCo under the sell down withdraws its offer (either in whole or in part). Existing Shareholders have offered to sell a total of 19,860,876 Existing Shares under the sell down.

²⁸ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

²⁹ Assumes that all amounts owing by the employees in relation to shares acquired by them under the Company's loan funded share plan (which will be terminated with effect from Completion of the Offer) are repaid in full (see Section 4.11.4 for more details).

Item	Summary	Further information
Is there a minimum subscription level in respect of the Offer?	<p>The minimum level of subscription for New Shares under the Offer is \$5,000,000. This means that no New Shares will be issued under the Offer unless total applications for a minimum amount of \$5,000,000 (or 5,000,000 Shares) are received.</p> <p>Successful Applicants will first be issued New Shares up to an aggregate amount of \$5,000,000 of New Shares, before being transferred Existing Shares. Other than this, successful Applicants will either be issued New Shares by Class or transferred Existing Shares by SaleCo (or both) at the discretion of Class and SaleCo.</p>	Section 7.6
Is there a maximum subscription in respect of the Offer?	<p>The aggregate maximum amount that may be raised under the Offer (from the issue of New Shares and sale of Existing Shares) is \$29,860,876³⁰, comprising the:</p> <ul style="list-style-type: none"> • issue of up to \$10,000,000³⁰ in New Shares by Class; and • transfer of up to \$19,860,876 in Existing Shares by SaleCo. 	Section 7.6
What is the minimum and maximum Application size?	<p>The minimum Application under the CTC Offer and General Offer is \$3,000 worth of Shares and in multiples of \$1,000 worth of Shares thereafter.</p> <p>Applicants under the CTC Offer may apply for an amount up to the amount indicated on the personalised invitation.</p> <p>There is no maximum number or value of Shares that may be applied for under the General Offer.</p> <p>Under the Employee Offer, Eligible Employees will be offered the opportunity to apply for up to \$1,000 worth of Shares for no cash payment.</p>	Sections 7.7(b), 7.8(b) and 7.9(b)
What is the allocation policy?	<p>CTC Offer allocations will be determined by Class and SaleCo at their sole discretion.</p> <p>All Eligible Employees will be offered the opportunity to apply for up to \$1,000 worth of Shares for no cash payment.</p> <p>The allocations under the General Offer will be determined by Class and SaleCo at their sole discretion.</p>	Sections 7.7(f), 7.8(d) and 7.9(f)

³⁰ This maximum amount is less \$43,000, being the maximum number of Shares that will be issued or sold under the Employee Offer, as no cash payment is required to be made by Applicants under the Employee Offer.

1. Investment Overview continued

Item	Summary	Further information
Will any Shares issued under the Offer be subject to escrow?	<p>Shares issued under the Employee Offer will be subject to disposal restrictions. There will be no other voluntary escrow arrangements applied.</p> <p>The Directors do not anticipate that ASX will classify any Shares as restricted securities and therefore anticipate that no ASX-imposed escrow will apply to the Shares. However, Class has applied to ASX for confirmation that this will be the case.</p>	Sections 7.11 and 9.6(b)
Will the Shares be quoted?	<p>Yes. The Company has applied to ASX for admission to the Official List of ASX and quotation of Shares on ASX, which is expected to be under the code CL1 (which may be changed prior to Listing).</p> <p>Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>Class will be required to comply with the ASX Listing Rules, subject to any waivers obtained from time to time.</p> <p>The ASX and its officers take no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit Class to the official list is not to be taken as an indication of the merits of Class or the Shares offered for subscription.</p>	Section 7.12
When are the Shares expected to commence trading?	<p>It is expected that the dispatch of holding statements will occur on or about Friday, 11 December 2015 and, subject to ASX approval, that Shares will commence trading on ASX on or about Wednesday, 16 December 2015.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p>	Section 7.15
Can the Offer be withdrawn?	<p>The Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants.</p> <p>If the Offer does not proceed, the Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	Section 7.6

Item	Summary	Further information
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. To the extent that any stamp duty is payable on the transfer of Shares by SaleCo to Applicants, the Company will bear the cost of such duty.	Section 7.13
What are the tax implications of investing in Shares?	<p>Given that the taxation consequences of an investment in the Company will depend on the investor's particular circumstances, it is the obligation of the investors to make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should obtain their own tax advice before investing.</p> <p>A general overview of the tax treatment for Australian resident investors is included in Section 9.10.</p>	Section 9.10
How can I apply?	<p>If you are an eligible investor under the CTC Offer, Employee Offer or General Offer, you may apply for Shares by completing the appropriate Application Form attached to or accompanying this Prospectus.</p> <p>To the extent permitted by law, an Application under the Offer is irrevocable.</p>	Sections 7.7(b), 7.8(b) and 7.9(b)
Where can I find more information?	<p>By reading this Prospectus.</p> <p>By calling the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) 8:30am to 5:30pm (AEDT), Monday to Friday, or by visiting www.class.com.au.</p> <p>The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, or incorporated into, this Prospectus.</p> <p>If you are uncertain as to whether obtaining Shares in Class is a suitable investment for you, you should seek professional advice from your broker, lawyer, accountant, taxation adviser, financial adviser or other independent professional adviser before deciding whether to invest.</p>	

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2. Industry Overview



2. Industry Overview

2.1 Introduction

Class operates at the intersection of two significant and disruptive trends: Australians choosing to manage their superannuation through self managed super funds (SMSFs); and individuals and organisations accessing computing resources as online services via 'the cloud' (see Section 2.3(b)) rather than owning and maintaining their own software and hardware systems.

The first trend has created the need for tools and services to help individuals and administrators establish and operate SMSFs. Meanwhile, the emergence of cloud computing has made it possible to create low-cost and efficient online services to support the delivery of those tools and services, and introduce new capabilities. These new cloud-based services are more efficient and effective than traditional desktop solutions, which is in turn leading many SMSF administrators to consider changing their software.

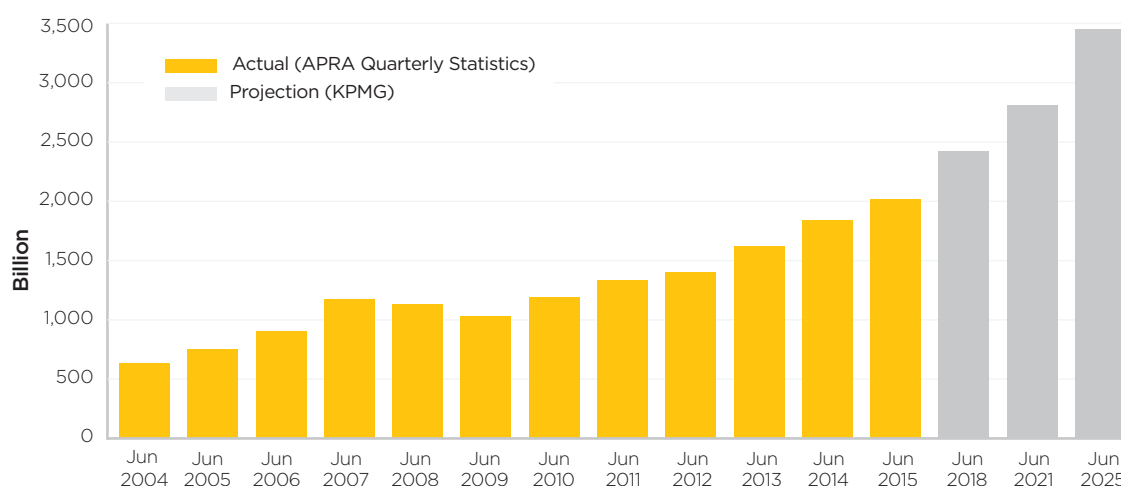
2.2 The superannuation sector

(a) Total superannuation market

The Australian superannuation system has grown rapidly since the compulsory Superannuation Guarantee was introduced in 1992. As of June 2015, approx. \$2 trillion was held in superannuation³¹, representing 24% of Australian financial institution assets and making Australia the world's third largest private pension fund market.³²

The superannuation industry grew 9.9% by assets in the year to June 2015³³ and KPMG has estimated Australians will hold approx. \$3.5 trillion in super by 2025.³⁴ A key driver of this growth will be the Federal Government's legislative commitment to increase the Superannuation Guarantee from 9.5% to 12% by 2025.

Figure 2.1: Total actual and projected superannuation assets



Source: KPMG, *Supertrends: The trends shaping Australia's superannuation industry*, 1 May 2015.

31 APRA, Quarterly Superannuation Statistics, June 2015.

32 KPMG, *Supertrends: The trends shaping Australia's superannuation industry*, 1 May 2015.

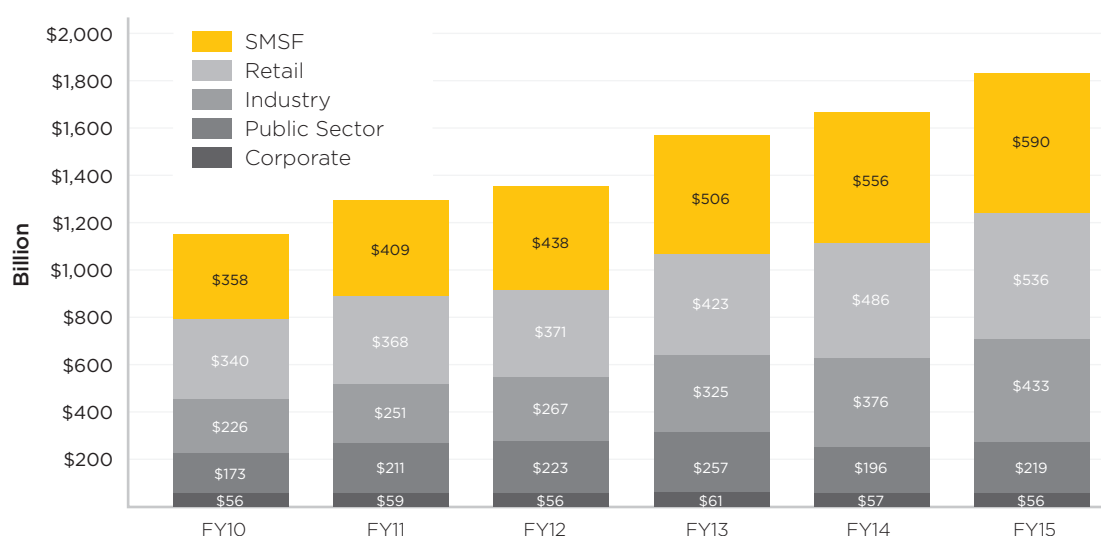
33 APRA, Quarterly Superannuation Statistics, June 2015.

34 KPMG, *Supertrends: The trends shaping Australia's superannuation industry*, 1 May 2015.

(b) The SMSF sector

SMSFs are the largest sector of the Australian superannuation industry, representing 32% (\$590 billion) of total superannuation assets as of June 2015.³⁵ Retail and industry funds represented 29% and 24% of assets, respectively, followed by public sector and corporate funds.

Figure 2.2: Assets by type of fund as a percentage of superannuation assets up to 30 June 2015³⁶



Source: APRA Statistics – Annual Superannuation Bulletin June 2012 and 2013, and APRA Quarterly Superannuation Statistics June 2015

The number of SMSFs has grown on average by more than 8% a year³⁷ since the term was introduced through legislation in 1999. As of June 2015, there were 556,998 SMSFs.³⁸

The assets managed through SMSFs have grown by an average of 20% per year since 1999.³⁹ According to the Australian Taxation Office (ATO), as at June 2015, the average SMSF held \$1.06 million and the average member balance within SMSFs was \$557,405⁴⁰ (there is an average of 1.9 members per SMSF, meaning more than 1 million Australians are now SMSF trustees).⁴¹

35 APRA, Quarterly Superannuation Statistics, June 2015.

36 APRA, Quarterly Superannuation Statistics, June 2015 (excludes SAFs, ERFs, PSTs and Other).

37 The Hon. Josh Frydenberg, Address to SMSF Association, Melbourne, 20 February 2015.

38 Australian Taxation Office, *Self-managed super fund statistical report – June 2015*.

39 The Hon. Josh Frydenberg, Address to SMSF Association, Melbourne, 20 February 2015.

40 APRA, Quarterly Superannuation Statistics, June 2015.

41 Australian Taxation Office, *Self-managed super fund statistical report – June 2015*.

2. Industry Overview continued

(c) SMSF growth

The self managed sector is expected to continue expanding strongly in terms of total funds. Deloitte estimates that \$2.23 trillion will be held in SMSFs by 2033, out of a total superannuation pool of \$7.6 trillion.⁴²

Individuals choose to start SMSFs for a range of reasons, including:

control: an SMSF gives investors the ability to directly control how their retirement savings are invested. This may include choosing to apply the same principles to their retirement assets as they apply to their non-super investments.

desire to make specific investment choices: some SMSF investors want to fund their retirement using assets and strategies that aren't available in large funds. These include specific residential properties, collectibles and derivatives and the use of limited recourse borrowing arrangements. Figure 2.3 shows the diverse range of assets held in SMSFs.

cost savings: large super funds charge fees as a percentage of funds under management. For larger balances, SMSFs can be more cost-effective as the costs reflect the actual work involved in administering the fund rather than a percentage fee.

avoiding performance issues: if investment returns are poor over an extended period, people may review their situation and decide they could run their own fund and achieve returns that would match or better those of the large funds. Poor service delivery and a range of other issues may also cause superannuation owners to move away from large fund managers.

estate planning: SMSFs typically provide a better estate planning vehicle than large super funds. For instance, they can be used to provide pensions for minors and pay benefits more quickly. SMSFs also have an indefinite life so they can be used in transferring wealth between generations.

tax transparency: the transactions that take place in an SMSF are highly transparent. It is possible to directly see the impact of franking credits, capital gains tax and other tax factors.

⁴² Deloitte, *Dynamics of the Australian superannuation system: The next 20 years*, September 2013.

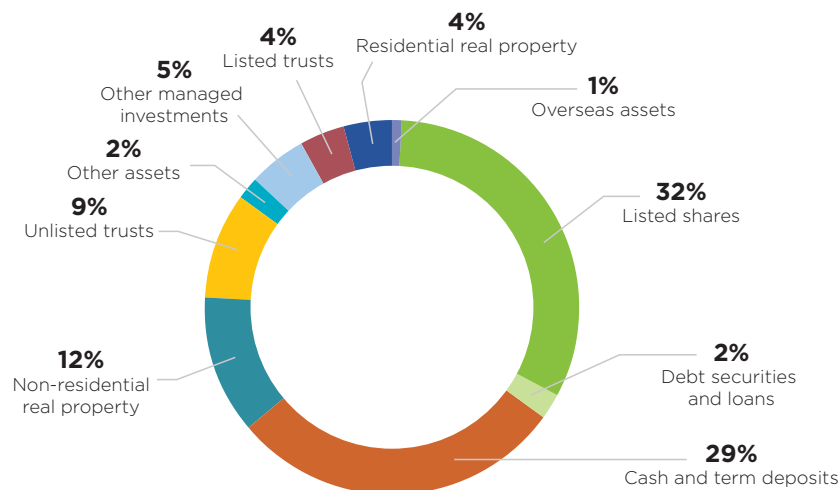
2.3 Technology change

(a) SMSF management software

SMSFs are relatively complex to administer because fund trustees must meet strict regulatory requirements and because of the wide range of assets that can be held within the structure.

As Figure 2.3 shows, SMSFs are used to hold investments in listed shares, cash, commercial and residential property in Australia and overseas, trusts, managed investments and other assets, which can include options, warrants and CFDs.

Figure 2.3: Average SMSF investment allocations in 2014



Source: ATO self-managed super fund statistical report – June 2014

The complex nature of SMSFs and their steady growth has supported demand for specific software solutions, including Class Super. Compared to alternatives such as spreadsheets or manual record keeping, these tools make it easier for administrators to:

- track investments and cash movements within a portfolio
- generate comprehensive investment, tax and accounting reports
- track members' account movements, tax and preservation components
- produce financial statements
- produce annual tax returns and other compliance documentation.

Most importantly, these tools can be tailored and updated to help administrators remain compliant and up to date with complex and changing tax and other regulatory requirements.

(b) Cloud computing

Cloud computing refers to individuals and organisations using computing resources that are based offsite in data centres rather than on desktop computers or servers located within their own offices.

The arrival of cloud computing has been a disruptive change in the investment administration software market. In addition to making computing resources widely available for consistent per-user fees, cloud computing has made it possible for software solution providers to integrate data feeds from third party sources such as banks and stock exchanges. By doing so, information can be regularly updated without manual effort by the system user to accelerate processes such as bank reconciliations and accounting for super payments. Further, because cloud-based services are hosted centrally and accessed via a web browser, they typically make it easier for individuals to share information in real time with third parties such as accountants and financial advisers.

2. Industry Overview continued

This significant change in functionality is leading a number of fund administrators to assess changing from using non-specialised and desktop-based tools to cloud-based solutions designed specifically for managing SMSFs and other investment portfolios. This has in turn created an opportunity for Class as a new entrant with a cloud solution to secure market share.

According to a survey by Wolters Kluwer, 69% of Australian accountants used cloud-based accounting software applications in 2014. Of those current users, 96.1% said they were 'very likely' or 'quite likely' to increase their spending on cloud computing.⁴³

(c) Growth in cloud-based SMSF services

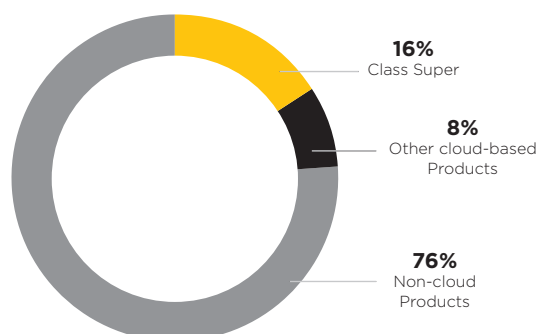
Class expects the penetration of cloud-based solutions in the SMSF administration software market to continue growing as accountants, administrators and others recognise the cost, productivity, accuracy and service benefits that can be realised.

An estimated 24% of SMSFs are now administered using cloud-based services rather than traditional on-premises desktop software solutions (see Figure 2.4).

According to an April 2015 survey by Investment Trends, 21% of accountants were considering changing their most-used SMSF software provider within the next year. The proportion was higher for those accountants who were new to serving SMSF clients, with 32% of those who had worked with SMSFs for less than two years saying they were considering changing providers.⁴⁴

The key reasons accountants were looking to change were to find a system that supported less manual processing and data entry (55%), was easier to use (53%), offered better integration with other systems (50%) and was cloud-based (47%).⁴⁵

Figure 2.4: Cloud vs. non-cloud SMSF software market (% of funds)



Source: Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

⁴³ Wolters Kluwer, Accountants Research, 2014.

⁴⁴ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

⁴⁵ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

2.4 Market

(a) Customers

Class primarily sells its cloud-based software solutions to professionals who administer SMSFs on behalf of clients. These SMSF administrators are generally specialist providers, accountants or financial advisers.

(b) Sales

There are two primary channels for marketing and selling SMSF administration software:

- **accountants and other business partner referrals:** this channel primarily consists of word of mouth from accountants. It also includes other business partners such as advisers and auditors. Accountants and other business partners have significant influence on the decisions of peers to adopt particular accounting software solutions
- **direct sales:** this channel consists of the software provider's websites and direct sales force. This is an important source of sales as many accountants are looking to move to cloud solutions and use online channels to research and trial software but often need consulting assistance with planning and implementing the change to new software.

(c) Competitors

There are four principal participants in the SMSF administration software market:

Brand	Company type	Cloud-based product	Desktop product
Class	Seeking ASX listing	Class Super	–
BGL	Private company	Simple Fund 360	Simple Fund
Supercorp	Private company	superMate	–
Reckon	ASX-listed	–	Desktop Super

BGL has the largest share of the desktop SMSF software market and released its Simple Fund 360 cloud solution in March 2014. Supercorp launched superMate, another key player in the cloud based SMSF software market, in October 2009.

In addition, many accountants continue to use Microsoft Excel and general ledger accounting software to manually account for SMSFs. However, Class is seeing a large number of accountants moving from these generic tools to specialised and cloud-based SMSF administration software. In the year to 30 June 2015, 24% of new Class Super subscribers previously used Microsoft Excel or a generic general ledger tool to administer their clients' SMSFs.

(d) Barriers to entry

The threat of new entrants to the SMSF administration software space is low given the complex development involved, the highly regulated nature of the industry, the considerable time and cost involved, and the relatively small market size.

SMSFs are unique to Australia and participants must have a strong understanding of the regulatory landscape and possess an ability to quickly respond to change. For example, updates are required at least annually to reflect changes in tax treatment, tax rates and thresholds, and ATO forms. To date, this has made the SMSF administration market unattractive to globally oriented suppliers and the Company expects this to remain the case for the foreseeable future.

2. Industry Overview continued

Other barriers to entry centre on:

data feeds: significant time and capital must be committed to design and maintain an effective and reliable data feeds system. Although third party data providers are available, some of them cannot provide the quality and breadth of data required to automate processes to the levels expected by customers. Building contacts and working relationships with the large number of data feeds providers in the Australian market requires a sustained effort to deliver an effective solution

research and development costs: significant time and capital must be committed to design and maintain an effective, attractive and competitive SMSF solution. New features must be regularly added in response to customer feedback and regulatory changes in particular

infrequent switching: while many individuals and firms have reviewed or are reviewing their SMSF administration software tools in light of the functionality presented by cloud computing (see section 2.3(c)), they are then unlikely to change again quickly unless another disruptive technology appears. The reason is that migrating to a new SMSF administration system involves significant effort in terms of moving data, retraining staff and adapting processes.

3. Company Overview



3. Company Overview

3.1 About Class

Class is the leading provider of cloud-based administration software for self managed super funds (SMSFs). It also provides software to streamline the administration of investment portfolios held by non-SMSF entities such as companies, trusts and individuals. Class does not provide solutions for superannuation funds regulated by APRA, which are typically large funds with hundreds or thousands of members.

The Company was founded in 2005. The idea to create the Class Super product emerged from the needs of Smartsuper, a Sydney-based SMSF administrator. Smartsuper's CEO, Andrew Bloore, was looking for an administration solution to achieve efficiencies and scale beyond the 1,000 or so funds that Smartsuper administered at the time.

Like many other SMSF administrators, Smartsuper was experiencing challenges in training and retaining the specialised staff required to provide SMSF services, fixing costly errors and meeting clients' expectations in terms of service levels and timeliness. Smartsuper looked at existing solutions but found they focused on recording debits and credits and creating accounting journals, rather than approaching SMSF administration as a business processing and efficiency challenge. To address these issues, Andrew approached a group of investors and Class was formed to develop a then industry-first cloud software solution for the broader market.

The Company has since also championed the adoption of direct-connect data feed processing in the SMSF space and introduced award winning innovations in processing corporate actions, foreign currency accounting, international shares and property transactions, and improving systems' income, performance and benchmark reporting.

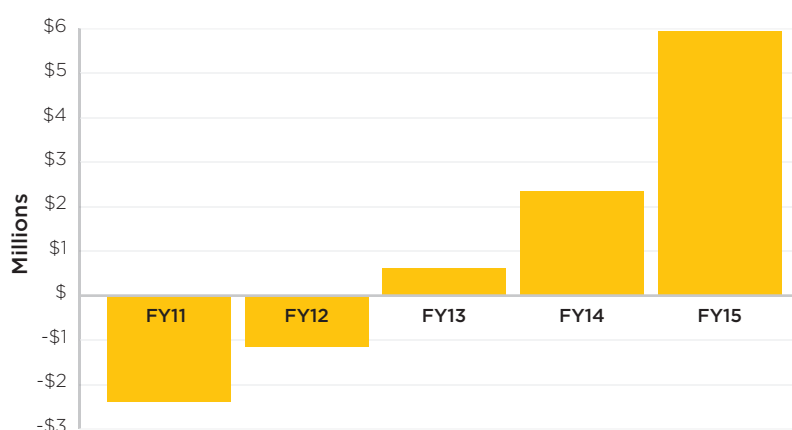
Key events

2005	Class founded	2013	Profitable - Pays Dividend
2009	Class Super launched	2013	40,000 Billable Portfolios
2012	20,000 Billable Portfolios	2015	Class Portfolio launched
		2015	90,000 Billable Portfolios

Class' success has been driven by SMSF administrators moving from desktop and non-specialised software to its efficient cloud-based solution that integrates real-time data feeds and facilitates collaboration between SMSF trustees and their professional advisers.

The Directors believe that the strong growth of Class' Billable Portfolios will continue as more SMSF administrators switch to a cloud-based solution or otherwise choose its products. The Company will also accelerate its marketing of Class Portfolio, a cloud-based investment administration solution for non-SMSF portfolios. Class Portfolio is already used for the administration of more than 1,000 non-SMSF Billable Portfolios.

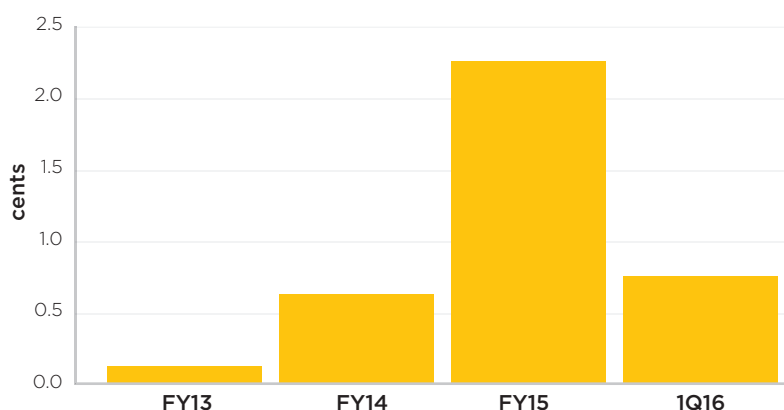
Figure C.2: Class' EBITDA from FY11 to FY15



Class has paid dividends since FY13 and, subject to maintaining the Billable Portfolio numbers as at 30 September 2015 and its FY15 EBITDA margin (as outlined in Section 4.3), the Directors expect that an unfranked dividend of 0.75 cents per quarter (or 3 cents per annum) will be paid in respect of FY16. The first quarterly dividend for FY16 of 0.75 cents has already been declared on shares held by Shareholders on the register as at close of business on 25 September 2015.

It is the current intention of the Board, from FY18, to target a dividend payout ratio of between 50% to 80% of NPAT (before significant items).⁴⁶ Dividends are currently unfranked due to the utilisation of historical tax losses and treatment of the R&D Tax Incentive. Commencement of franking of dividends will depend on the amount of tax payable by Class. Refer to Section 4.15 for more information about the Company's dividend policy.

Figure C.3: Dividends declared and paid⁴⁷



Partners

Class has built connections with an ecosystem of partners to automate the supply of additional services relevant to SMSF administration and wealth management, including audit, actuarial, financial, legal and insurance products and services. Class now integrates with more than 40 partner product and service providers to supply streamlined services to SMSF and other portfolio administrators.

As Figure 3.1 highlights, Class provides value to customers by making it easier to coordinate and integrate the many advisers and data sources required for SMSF trustees to meet their compliance obligations. This has also positioned the Company to earn an increasing share of its revenue by facilitating transactions between its customers and third party partners.

⁴⁶ The payment of dividends by the Company is a function of a number of factors, including the operating results and financial condition of the Company. See Section 4.15 for more information.

⁴⁷ The dividends in Figure C.3 are presented based on the FY (or for the last bar, the quarter) to which they relate, not the date they were declared. Investors should note that past performance is not an indicator of future performance.

3. Company Overview continued

Figure 3.1: Class' position at the centre of the SMSF and investment portfolio ecosystem



Revenue derived from partner transactions and referral fees constitutes 4% of the Company's current revenue.

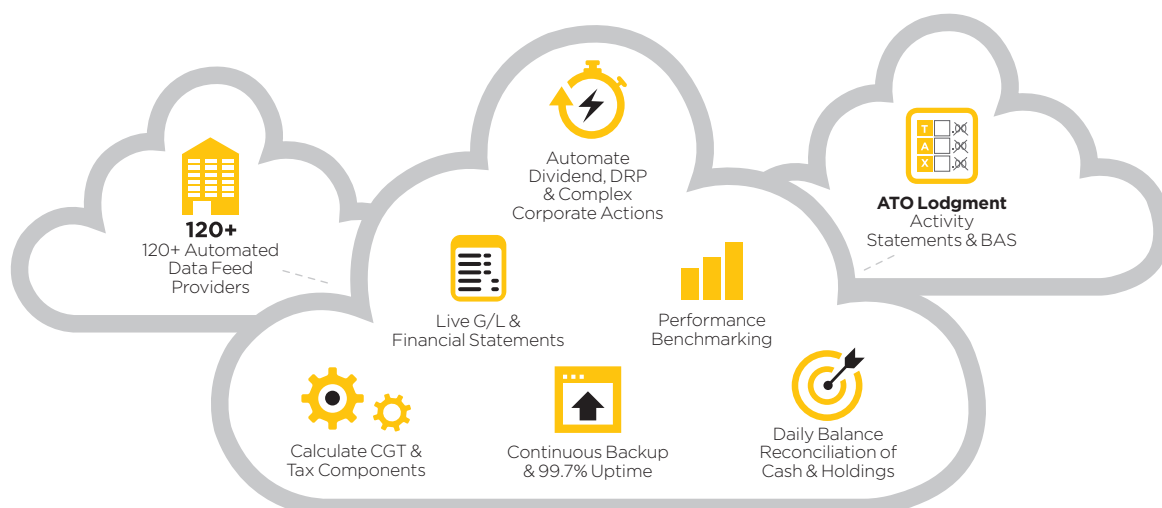
3.2 Products

Class' key products are:

Class Super: cloud-based software to support the accounting and administration of SMSFs. The product was launched in February 2009 and streamlines all aspects of SMSF administration from setup to lodgement. It is an automated, scalable and cost-effective solution suited to practices of all sizes.

Class Portfolio: a cloud-based investment portfolio administration solution. The product streamlines investment portfolio accounting, reporting and administration.

Figure 3.2: Class products – features and benefits



Key Features



Automate
Dividend, DRP
& Complex
Corporate Actions

Automated generation of income entitlement – Automatic income generation driven from ASX and foreign market announcement data. Income, franking credits and withholding tax are automatically processed, based on the information received from these sources.

Bulk processing of complex corporate actions – Easy processing of both simple and complex corporate actions, through automated data feeds, smart calculators and bulk processing capabilities. Class also provides a Corporate Actions Console to drive bulk processing across a business.



Live G/L &
Financial Statements

Class products are built on a complete double entry accounting system which provides live up to date reporting and financial statements. All transactions processed in the Class system include a full audit trail, are easy to trace and simple to reprocess where required.

3. Company Overview continued



Calculate CGT & Tax Components

Full capital gains support – Automatic calculation of realised and unrealised capital gains including comprehensive reporting to support calculations.



Continuous Backup & 99.7% Uptime

Class provides a greater than 99.7% service level for its system uptime availability with minimal disruptions by continuously replicating data to backup servers.



Performance Benchmarking

Access to interactive graphs for investment performance and benchmarking. Automatic calculation of estimated income and yield.



Daily Balance Reconciliation of Cash & Holdings

The availability of data feeds enables daily reconciliation of transactions and confirmation of quantities, improving accuracy and efficiency.



120+
120+ Automated Data Feed Providers

Class provides over 120 direct-connect data feeds from banks, brokers and wraps. Feeds are received direct from source without manual intervention, providing accuracy, security and timeliness of data. Data feeds allow automation of data entry, saving time and greatly improving productivity.



ATO Lodgment
Activity Statements & BAS

Electronic lodgment of SMSF Annual Returns, Business Activity Statements and Instalment Activity Statements (BAS\IAS) as well as the provision of PAYG Payment Summaries for income streams and lump sums.

3.3 Data feeds

Class has developed a deep competence in delivering direct-connect data feeds that are reliable, scalable and high quality. Its techniques include using data matching, processing and reconciliation to record business events and auto-journal general ledger entries.

The Company's first data feed was from Macquarie Bank in late 2008, and it has since added feeds from Australia's major banks. Today, Class supports almost all of the top 20 cash providers in Australia and recently started adding cash data feeds for credit unions, building societies and mutual banks.

Class has built a large portfolio of direct-connect data feeds from banks, brokers and wrap providers, and has broadened the range of data feeds to cover asset classes such as international equities, individually managed accounts and separately managed accounts platforms, and specialist term deposit and bond platforms.

Class data feeds are delivered over secure links direct from the relevant sources (banks, brokers and platform/wrap providers) without any manual intervention. The feeds provide:

- automated data entry for banks, brokers and wraps
- daily valuations and market data
- automated processing of income entitlements
- daily reconciliation of transactions and confirmation of quantities
- access to historical transactions when setting up selected feeds
- tax statements for selected wraps.

Class also receives market data to facilitate valuations. It sources market prices for ASX-listed securities from ASX ReferencePoint; managed fund data from IRESS (FundData); and data about foreign listed stocks and exchange rates from exchanges, the Reserve Bank of Australia and other sources.

3.4 Growth and market position

Billable SMSF Portfolios have grown at an average of 20,000 p.a. for the last three years. Market share (in terms of total registered SMSFs) has grown from 3.5% to 14.6% in those three years. In the FY15 over 27,000 Billable SMSF Portfolios were added, and SMSF market share increased from 10.2% to 14.6%.

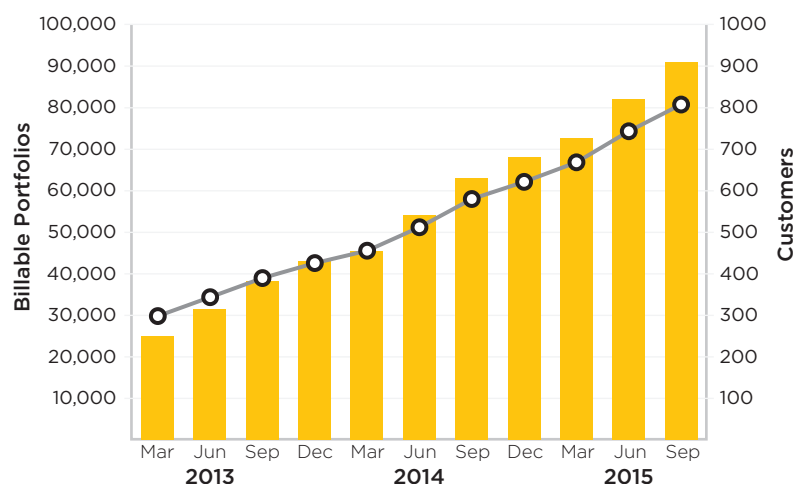
As of 30 September 2015, Class Super was used by more than 800 customers to manage more than 90,000 SMSFs which held over \$95 billion in assets. This represented approximately 16% of the total of 556,998 SMSFs in Australia.⁴⁸ At the same date, Class Portfolio was used to administer over 1,000 non-SMSF investment portfolios.

⁴⁸ Australian Taxation Office, *Self-managed super fund statistical report – June 2015*.

3. Company Overview continued

Class' growth relative to previous years

Figure 3.3: Billable Portfolios and customers on Class by quarter

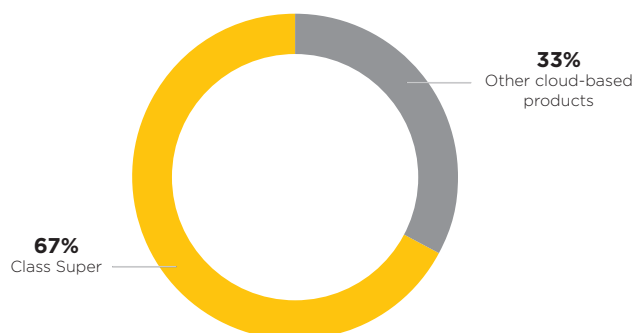


Class has gained most of its growth in the SMSF administration software market since mid 2013. Accountants and others have adopted its products as their SMSF purpose built administration tool or as a replacement for desktop or other cloud-based administration software. This can be seen in Figure 3.5, which shows the steady growth in the number of SMSFs and the growing proportion being managed using Class.

Class' growth within the cloud segment of the industry

The Company has also established a clear leadership position in the cloud SMSF administration software segment specifically, where Class Super holds an estimated 67% market share.⁴⁹

Figure 3.4: Class market share of cloud SMSFs (% of funds)

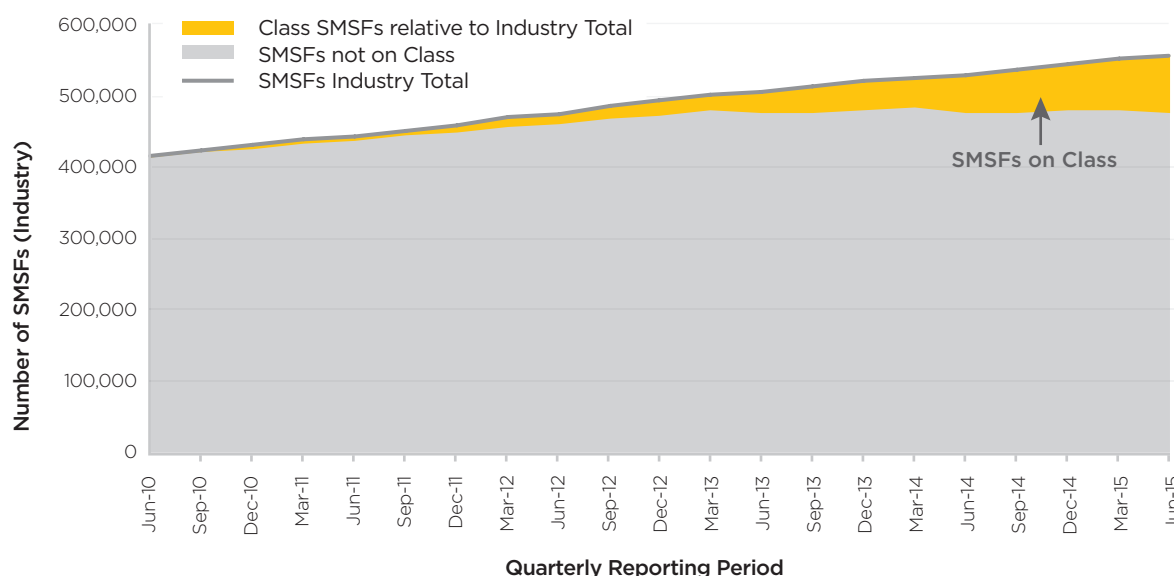


⁴⁹ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

Class' growth relative to the industry

The chart below shows the growth in the SMSF market and number of SMSFs using the Class administration software and demonstrates the remaining market potential for Class' products.

Figure 3.5: Growth in SMSFs on Class administration platform



In the financial year to 30 June 2015, 76% of new customer Portfolios moved to Class from desktop and cloud based SMSF specific solutions and 24% from other solutions including, Microsoft Excel, general ledger software tools, manual processes or were new to SMSF administration.

3.5 Industry recognition

Class enjoys strong brand awareness and has been a winner or well placed in a number of major business and industry awards programs, including:

2015

SMSF Adviser 2015 SMSF Award – SMSF Software Provider Winner
 2015 BRW Most Innovative Companies – Class placed 5th
 Investment Trends 2015 SMSF Accountant Report – Best overall user satisfaction for SMSF software*
 CoreData 2015 SMSF award (SMSF Accounting Software category)



2014

SMSF Adviser 2014 SMSF Award – SMSF Software Provider Winner
 2014 BRW Most Innovative Companies – Class placed 14th
 CoreData 2014 SMSF award (SMSF Accounting Software category)
 Deloitte Technology Fast 50 Australia 2014 – Class placed 17th



* (Front cover and above): Class Super received the highest overall user satisfaction ratings for SMSF software, according to the Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice who service SMSF clients.

3. Company Overview continued

3.6 Business model

(a) Revenue generation

Class generates revenue in three main ways:

- **software subscription fees:** customers make monthly subscription payments to use Class' products. This recurring revenue is priced on a per investment portfolio basis (i.e. per SMSF, trust fund, company or individual). These portfolios are referred to in this Prospectus as Billable Portfolios. Volume discounts and minimum fees may apply. If customers stop making subscription payments, they are unable to use the software
- **partner transaction fees:** partners make their products and services available via Class' software. When those products are applied for or purchased, Class receives a transaction fee for facilitating the transaction. Examples of the products and services provided include SMSF establishment documentation, access to actuarial certificates and pension documents, audit services and property valuations
- **partner referral fees:** Class does not provide financial advice but may receive referral fees if a customer chooses to sign up to use a partner's product or service via integrated application and provisioning systems. Examples of these services include subscriptions for legal documentation services, education services and cash management accounts.

Approximately 95% of Class' revenue is currently derived from software subscription fees and 1% from transition services. The remaining 4% is derived from partner transactions and referral fees. The Company expects partner-related fees to continue growing as a proportion of its total fees.

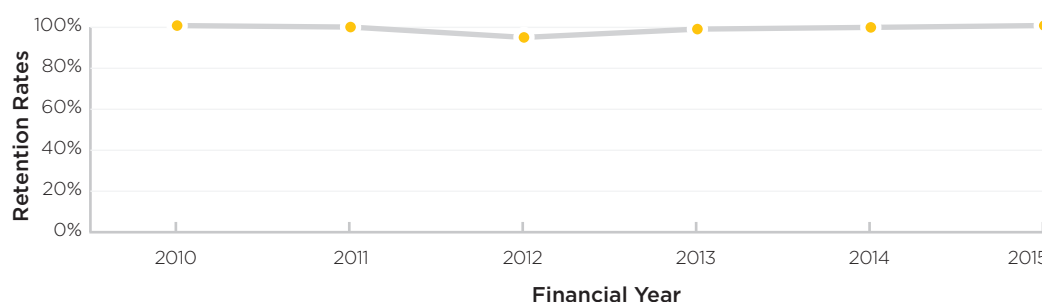
Class is focused on increasing its customer numbers and the number of Billable Portfolios its customers administer. From 31 March 2013 to 30 September 2015, the average Class customer size grew 34% from 84 funds per business to 113 funds per business. This reflects the fact that when compared to users of other products, the average Class customer generally manages a higher number of SMSFs and derives a larger percentage of their revenue from SMSFs.⁵⁰

(b) Customer retention

Class had a high customer retention rate of more than 99% in the year to 30 June 2015. This retention rate reflects customers' high level of satisfaction with the Company's products and especially the accuracy of its data feeds (see section 3.3).

According to an April 2015 survey, Class was the top rated SMSF software provider among accountants in terms of overall customer satisfaction.⁵¹

Figure 3.6: Retention of Billable Portfolios on Class



⁵⁰ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

⁵¹ Investment Trends 2015 SMSF Accountant Report, based on a survey of 1,647 accountants in public practice.

The Company believes it is well positioned to grow its total revenue due to:

- the high value that its products provide to customers in terms of efficiency and the ability to help those customers meet the needs and service expectations of their clients
- the high retention rate of customers
- its ability to continue to develop and add value to its products by increasing its data feeds, connections to industry partners, and research and development (R&D)
- the fact that the annual licence fee for SMSF or other portfolio administration software typically represents a small percentage of the total annual cost involved in running a fund.

3.7 Business strategy

Class' goal is to grow its offerings to become the leading provider of portfolio administration software for specialist administrators, accountants, financial advisers and stockbrokers for SMSF and non-SMSF investments. Specifically in FY16, the Company will focus on:

- **cementing SMSF leadership:** continuing to add features to Class Super to reinforce and expand the Company's leadership in the cloud SMSF software market
- **expanding its position:** expanding Class' ability to support non-SMSF investment portfolios, including by enhancing and promoting Class Portfolio and encouraging customers to put non-SMSF portfolios on Class
- **expanding its partner ecosystem:** growing the ecosystem around Class' software products through the Company's Partner Program, which supports third parties that have developed solutions around Class' products, wish to integrate with Class via APIs or provide services or products to Class customers via Class' Software
- **improving efficiency:** implementing initiatives to increase efficiency within the business, such as automating product demonstrations, developing new training modules and further automating the process for transitioning customers to Class' products
- **exploring opportunities:** working with innovative companies that are developing new financial technology solutions. Class is well positioned to provide core portfolio administration and accounting-related functionality as part of other solutions.

3. Company Overview continued

3.8 Key expenses

The Company's two primary expenses are employee expenses (66.6% in FY15) and data feed and hosting fees (9.3%). Other expenses include external contractors, marketing, professional fees and rental costs (13.8%). See Sections 4.5–4.7 for more information.

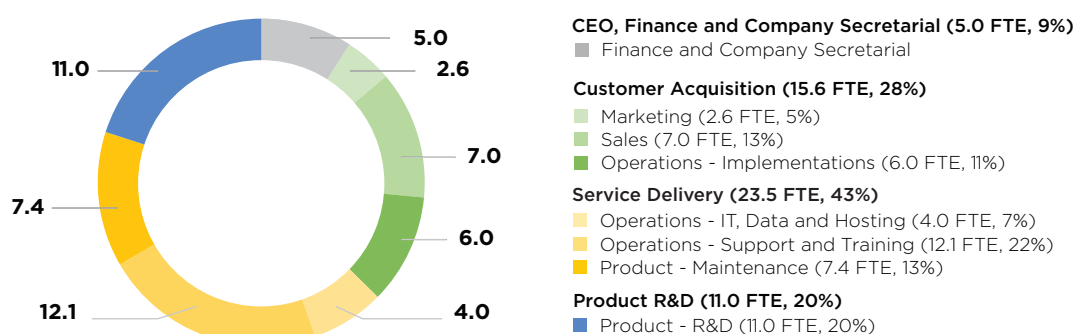
(a) Employees

As at 30 June 2015, Class had 55 full-time equivalent staff members (FTEs) located mainly in Sydney, up from 49 FTEs in June 2014 and 32 FTEs in June 2013.

Class has a strong and dedicated management team, with the majority of staff in the senior management team having been with the Company for more than seven years. This management team has overseen the expansion and growth of the business to its current position. Class has adopted the ESOP to incentivise key staff.

See Section 8.2 for details of Class' senior management team and Sections 8.6 and 9.6 for more information about the ESOP.

Figure 3.7: Class FTE staff by functional area



(b) Service delivery

24 of Class' staff are engaged in ongoing delivery of Class' cloud software services to customers via teams covering IT Service Management, User Support, Training, and Product Maintenance. This area provides the essential service delivery and operations functions required to meet customer needs. Staffing in this area will increase slowly relative to customer growth. The management team in this area is focused on efficiency gains and undertake process and project work to continuously improve the efficiency of operational service delivery.

(c) Customer acquisition

16 of Class' staff market, sell and provide consulting services to prospects and new customers. Class secures business through marketing and direct sales activity as well as referrals from existing customers and partners.

The Company maintains a dedicated team of consultants who assist customers in implementing a change program and in transitioning the SMSF or other portfolios that they administer from their existing administration system. This area is managed based on sales targets and customer service requirements and staffing levels may vary, from year to year, in accordance with the customer acquisition strategy that Class chooses to adopt for its existing and new product offerings.

(d) Product research and development (R&D)

11 of Class' staff are engaged in researching and developing new products and for adding new features to existing products. This area is managed based on product development strategies and staffing may vary, from year to year, in accordance with the level of investment Class chooses to make in the further development of new and existing products.

Class spent \$3,255,604 developing its products in FY15. This activity was primarily focused on delivering competitive new product features and integrated services but also includes maintenance work carried out on the existing products and features.

The Company's R&D expenditure is divided between the portion considered to be capital expenditure and capitalised (product development costs related to new functionality and the development costs associated with Class' internal systems) and the portion expensed as part of operating expenditure and recognised on the income statement (the research phase, maintenance expenses and all other product development costs that were not capitalised). Capitalised costs are amortised in accordance with AGAAP over a period of three years.

Figure 3.8: Class R&D expenditure

	FY13	FY14	FY15
R&D recognised as operating expenditure	\$874,301	\$1,517,583	\$1,453,062
R&D recognised as capital expenditure	\$312,272	\$985,446	\$1,802,542
TOTAL SPEND	\$1,186,573	\$2,503,030	\$3,255,604

Class follows an 'agile' approach to software development and maintains a log of items based on the Company's business plan and feedback from the industry, customers and internal stakeholders. The agile methodology revolves around developers working flexibly in teams towards monthly software development releases, and enables Class to deliver quality functionality that has been well scoped, designed and tested, while remaining responsive to the market.

3. Company Overview continued

3.9 Further operational details

(a) IT Infrastructure

Class delivers a managed service to customers via a cloud delivery model. All data for Class products is stored and hosted by Tier III providers in Australia, which are certified as providing the highest available level of surety that data is stored and managed effectively.

The Company's products are hosted in Australia and Class maintains a fully redundant copy of its production infrastructure offsite for disaster recovery. Automatic data replication services are used to copy the production data to the secondary system. In addition, the Company's hosting partners supply managed network services with redundant internet links.

Class works on a more than 99% availability model excluding scheduled maintenance. Scheduled maintenance is notified in advance and carried out during non-peak periods.

Secondary infrastructure is kept up to date using data shipped as transactions are logged. This system addresses Class' Recovery Point Objective (RPO) and leverages the extensive hardware redundancy of our suppliers.

The Company maintains the following components and services:

- redundant servers, firewalls, switches, communications links and power
- high-frequency backups stored in multiple locations
- security procedures covering regular penetration testing, operating system patching, application updates and incident response procedures
- disaster recovery planning and business continuity procedures
- subscriptions to third party data centre and security industry alert services to keep abreast of relevant threats, vulnerabilities and incidents
- continuous monitoring and activity logging by an experienced IT team.

(b) Risk management processes

Class maintains and complies with an Information Security Policy based on ISO/IEC 27018:2014 and ISO/IEC 27002:2013. Class recognises three core principles of information security practice:

- **confidentiality:** to protect against the unauthorised disclosure of information
- **integrity:** to protect against information errors or the unauthorised loss, addition or modification of information
- **availability:** to ensure business-critical systems and processes will be available to support operational activity.

(c) Data protection and cyber security

IT security and data protection are critical to building and maintaining Class' cloud solution. The Company takes a multi-faceted approach to security, which includes:

- **external testing:** regular testing is conducted by external security vendors
- **secure development:** developers receive training in security-aware coding techniques based on industry best practice
- **security training:** Class mandates annual training for appropriate staff on security processes, business controls and correct use of information systems and facilities
- **anti-virus and patching:** anti-virus updates are installed automatically on all staff computers and servers as soon as they are made available, and operating system patches are reviewed before installation by IT staff
- **IDS/IPS and monitoring:** Class uses intrusion detection systems and intrusion prevention systems to protect its cloud solution. Firewalls are used across all systems, and firewall rules are continually updated and independently audited where required. All logs are centralised and reviewed by system administrators for suspicious behaviour
- **leading platform vendors:** Class partners with leading platform vendors who provide services such as denial-of-service monitoring, physical security, server and power redundancy, and built-in firewalls to support cloud-based systems.

(d) Security around data feeds

The Class data feeds system is an extensible sub-system of the Class administration platform that collects data from external providers and transforms it for consumption by the Class system.

Due to the sensitive nature of the customer data that the data feeds system collects and the critical functions that Class' systems carry out on behalf of customers, safeguards and resilience measures have been implemented to protect users' data and facilitate the availability of Class' products. These measures include:

- a tiered network architecture specifically designed for security around feeds that creates additional security layers between external and internal systems
- network hardware, such as load balancers and switches, which have been duplicated to provide redundancy in case of failure
- systems that are monitored for issues via both internal and external services, with email and SMS alerts to a group of on-call engineers if an issue is detected
- regular penetration testing by independent external parties.

3. Company Overview continued

(e) Intellectual property

Class' key intellectual property (IP) includes copyright in the source code of its products and the processes and technology involved in delivering those products to market. Class has also registered "Class" and "Class Super" as trade marks in respect of certain classes and has registered www.class.com.au as a domain name. Class does not have any patents.

Class has the following procedures in place to protect its intellectual property:

- **copyright:** Class asserts copyright on software created by Class employees
- **terms and conditions of employment:** Class requires its permanent, fixed-term and casual employees to sign contracts with appropriate provisions relating to the non-use and non-disclosure of confidential information and the granting and affirming of ownership rights in IP used and created by such employees while at Class
- **contractors and consultants:** Class requires contractors and consultants to sign standard agreements with provisions relating to the non-use and non-disclosure of confidential information and the acknowledgement of Class' ownership of IP
- **trademark monitoring:** Class seeks to protect its trademarks by, among other things, employing a service that identifies third parties applying to register trademarks that are identical or similar to Class' trademarks
- **trademarks and domain searches:** Class seeks to protect its trademarks by using external counsel to conduct pre-registration trademark searches to ensure that appropriate registrations of new trademarks and domains can be secured and to reduce the possibility of a potential conflict with third party IP rights.

4. Financial Information



4. Financial Information

4.1 Introduction

The financial information set out in this Section 4 contains the following financial information in relation to Class, prepared by the Directors:

- Summary statutory consolidated historical statement of comprehensive income for FY13, FY14, and FY15 (**Statutory Historical Statement of Comprehensive Income**);
- Summary statutory consolidated historical statement of cash flows for FY13, FY14, and FY15 (**Statutory Statement of Cash Flows**); and
- Statutory consolidated historical and pro forma historical statement of financial positions as at 30 June 2015 (**Statutory Historical and Pro Forma Historical Statement of Financial Positions**);

together, the **Historical Financial Information**.

The Historical Financial Information (other than the pro forma adjustments made to the historical statement of financial position as at 30 June 2015 and the results of those adjustments) has been derived from Class' audited consolidated financial statements for FY13, FY14 and FY15.

The financial statements were prepared in Australian dollars and in accordance with AGAAP and were audited in respect of FY13 and FY14 by Crispin & Jeffery Chartered Accountants which issued unqualified audit opinions in respect of these periods, and in respect of FY15 by Grant Thornton Audit Pty Ltd which issued an unqualified audit opinion in respect of that period.

No modified audit reports were issued for Class in any of FY13, FY14 or FY15.

The Historical Financial Information has been reviewed by Grant Thornton Corporate Finance Pty Ltd, whose Independent Limited Assurance Report is contained in Section 5, however the Directors are responsible for the inclusion of all financial information in this Prospectus.

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- management's discussion & analysis set out in this Section 4;
- the risk factors described in Section 6;
- the use of proceeds of the Offer described in Section 7.3;
- the indicative capital structure described in Section 7.4;
- the Independent Limited Assurance Report on the Historical and Pro Forma Financial Information set out in Section 5; and
- the other information contained in this Prospectus.

Non IFRS financial measures

Investors should be aware that certain financial data included in this Section 4 is "non IFRS financial information" under *Regulatory Guide 230: "Disclosing non IFRS financial information"* published by ASIC. Class believes that this non IFRS financial information provides useful information to users in measuring the financial performance and conditions of Class. As non IFRS financial measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which Class calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non IFRS financial information and ratios.

In particular the following non IFRS financial data is included:

- EBITDA which means earnings before interest, taxation, depreciation and amortisation;
- EBITA which means earnings before interest, taxation and amortisation; and
- EBIT which means earnings before interest and taxation.

All amounts disclosed in this section are presented in AUD.

4.2 Management discussion and analysis

The table below presents the summarised statutory consolidated statement of comprehensive income and other non IFRS financial information for FY13, FY14 and FY15.

\$'000 June year end	Audited				
	FY13	FY14	% Change	FY15	% Change
Revenue	5,543	9,937	79%	15,598	57%
Costs of undertaking business	-4,934	-7,575	54%	-9,635	27%
EBITDA	609	2,362	288%	5,963	152%
Depreciation	-50	-81	62%	-165	104%
EBITA	559	2,281	308%	5,798	154%
Amortisation ⁵²	-1,524	-1,676	10%	-698	-58%
EBIT	-965	605	N/A	5,100	743%
Net interest expense/benefit	-45	49	N/A	86	76%
NPBT	-1,010	654	N/A	5,186	693%
Income tax benefit/expense ⁵³	818	2,011	146%	-1,780	N/A
NPAT	-192	2,665	N/A	3,406	28%

The historical statement of comprehensive income has been extracted from the audited financial statements of Class for the financial years ended FY13, FY14 and FY15.

52 Class has ascribed a useful life of 3 years to the amortisation of the capitalised development expenditure and other intangible assets. Much of the early software development was fully amortised by FY15. Amortisation for FY16 based on the Intangibles balance at 30 June 2015 is expected to be \$1.09 million.

53 In FY13 and FY14 the income tax expense included the recognition of a tax benefit of \$0.8 million and \$2.15 million respectively in unused tax losses. The FY15 expense includes \$0.24 million in relation to the formation of an Australian tax consolidated group.

4. Financial Information continued

4.3 General factors affecting the operating results of Class

Class has grown the number of average Billable Portfolios by nearly threefold between FY13 (22,776 Billable Portfolios) and FY15 (67,846 Billable Portfolios), which has resulted in a direct increase of revenues year on year and consequently NPAT. Approximately 95% of total revenues are licensing fees collected from the use of the Class Super and Class Portfolio (previously known as Class Investment Reporter) platforms.

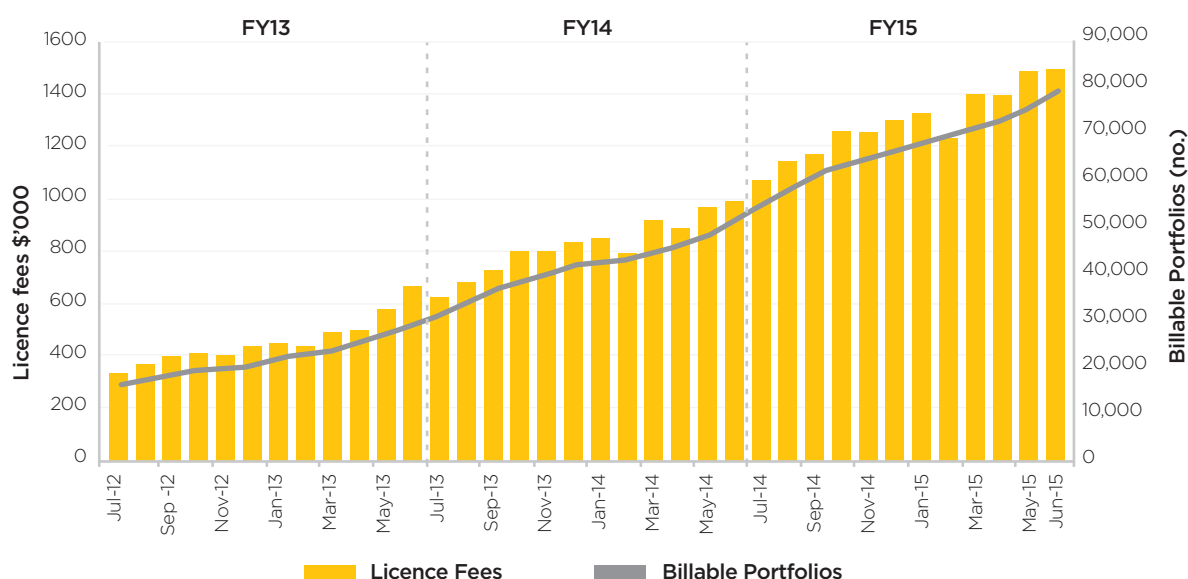
The table below presents some significant historical key performance indicators (which includes non IFRS financial information) for Class for FY13, FY14 and FY15:

	FY13	FY14	FY15
Number of customers at 30 June	359	528	762
Number of Billable Portfolios at 30 June	31,297	54,280	81,823
Average number of Billable Portfolios in period	22,776	42,381	67,846
EBITDA margin (% of revenue) ⁵⁴	11.0%	23.8%	38.2%
NPBT margin (% of revenue) ⁵⁵	-18.2%	6.6%	33.2%
NPAT margin (% of revenue) ⁵⁶	-3.5%	26.8%	21.8%

4.4 Revenues

Class' licence revenues, from its core product, Class Super, increased by \$9.5 million across the Review Period driven by the growth in Billable Portfolios managed on the platform (average of 79,461 during June 2015).

Monthly revenue and cumulative funds



⁵⁴ EBITDA margin has been calculated by dividing EBITDA by revenue.

⁵⁵ NPBT margin has been calculated by dividing NPBT by revenue.

⁵⁶ NPAT margin has been calculated by dividing NPAT by revenue.

Licence fees are charged to customers based on the number of active and operational funds under management, with fees accruing on a daily basis; and as a result, there is minimal seasonality in Class' monthly revenues.

\$'000	FY13	FY14	FY15
Annualised licence fee revenue as at June ⁵⁷	6,715	11,536	17,412

Class' annualised licence fee revenue increased by \$10.7 million across the Review Period.

Available as an additional related service to the Class Super platform, customers are able to obtain actuarial certificates for their SMSFs (if required) through providers who have partnered with Class. Class generates a small but steady stream of referral income under these partnership agreements, with referral fees displaying a level of seasonality around the two main taxation lodgement periods for SMSFs (October and May of each year).

Class Portfolio licence fees have contributed only a minimal portion of Class' revenues between FY13 and FY15, however it is trending upwards and is expected to be a capable addition to Class' products.

4.5 Employee expenses

Employee expenses constitute the largest cost to the business, totalling \$6.42 million in FY15 (66.6% of total costs). As at 30 June 2015, Class employed 55 FTEs, having increased headcount across the business year on year since FY13 in order to add additional capacity and resourcing to maintain and continue the growth in funds under management.

Class capitalises a portion of its operations and product development team's employee expenses as a result of the business' ongoing R&D to improve and maintain the Class Super and Class Portfolio platforms, with software updates released approximately once each month. Capitalised costs also include external contractors. These capitalised costs are amortised in accordance with AGAAP over a period of 3 years. (FY13: \$0.2 million, FY14: \$0.5 million and FY15: \$1.1 million).

4.6 Data and hosting expenses

With the growth in Class' customer base between FY13 and FY15, data and hosting fees have become a major expense to the business, constituting 9.3% of total expenses in FY15.

Data feed expenses have increased by \$0.19 million during the Review Period. Of this, \$0.131 million was for reference data which included additional functionality such as automated property valuations and foreign market data.

During FY15 Class' infrastructure costs increased by \$0.27 million. Of this \$0.21 million was spent on the implementation of offsite disaster recovery and a project which required multiple hosting providers running in parallel. The additional hosting requirement ceased in September 2015.

4.7 Other expenses

Other material costs which have impacted the Class cost structure over the Review Period in relatively the same proportion year on year include external contractors, marketing, professional fees and rental costs. These costs reflect a further 13.8% of total costs.

⁵⁷ Based on average revenue for the month of June.

4. Financial Information continued

The table below presents the summary statutory consolidated historical statement of cash flows for FY13, FY14, and FY15.

\$'000 June year end	Audited		
	FY13	FY14	FY15
CASH FLOWS FROM OPERATING ACTIVITIES			
EBITDA	609	2,362	5,963
<i>Non cash adjustments:</i>			
Share based payments	(52)	120	188
Amortisation of lease incentive	20	47	47
<i>Changes in assets and liabilities:</i>			
(Increase)/decrease in working capital	(222)	(179)	124
Increase in provisions	209	147	220
Increase in other net liabilities	258	23	290
Net cash inflow from operating activities	822	2,520	6,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(263)	(274)	(168)
Proceeds from the sale of P&E	-	3	1
Software development costs capitalised	(314)	(1,021)	(1,836)
Payment for trademarks	(18)	-	(17)
Payment for security deposits	-	(86)	-
Net cash outflow from investing activities	(595)	(1,378)	(2,020)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net interest (paid) / received	(45)	20	86
Repayment of borrowings	-	(500)	-
Proceeds from the issue of shares	219	2,150	-
Share buy back	-	-	(714)
Payment for non controlling interest	-	(75)	-
Dividends paid	-	(127)	(2,358)
Net cash inflow/(outflow) from financing activities	174	1,468	(2,986)
Net increase in cash held	401	2,610	1,826
Cash and cash equivalents at the beginning of the period	1,113	1,514	4,124
Cash and cash equivalents at the end of the period	1,514	4,124	5,950

The historical statement of cash flows has been extracted from the audited financial statements of Class for the financial years ended FY13, FY14 and FY15.

4.8 Operating and financing cash flows

Class has generated increasing cash inflows from operating activities, which is indicative of the positive revenue trends throughout the Review Period and strong EBITDA to cash conversion ratio.

Non cash adjustments include share based payments, expensed over the vesting period corresponding to the grant date and the amortisation of the lease incentive received in relation to the Group's tenancy of their business premises. This amortisation amount is offset against rental expenses incurred.

4.9 Investing cash flows

Class has historically had minimal investment in capital assets, with the majority of capital additions related to the relocation to new office premises in FY13 and the replacement of existing items.

Class has also purchased various website domains and business names between FY13 and FY15, in preparation for Listing.

Employee salaries and wages along with external contractor costs associated with software and website development are capitalised by Class when they have been spent to improve the functionality of the Class Super and Class Portfolio platforms and are identified as being able to deliver future economic benefits.

In addition to the net operating cash inflows, cash flows have also been supported through approximately \$2.49 million in equity funding raised between FY14 and FY15, with a \$0.5 million debt facility repaid in full during FY14.

4. Financial Information continued

4.10 Consolidated historical and pro forma statement of financial position at 30 June 2015

The table below sets out the statutory consolidated historical statement of financial position, the pro forma adjustments that have been made to it (further described in Section 4.11) and the pro forma statement of financial position as at 30 June 2015.

The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Class' view of its future financial position.

\$'000 30 June 2015	Pro forma adjustment note	Statutory audited \$'000	Reviewed minimum pro forma \$'000	Reviewed maximum pro forma \$'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4.11.1, 4.11.2, 4.11.3 and 4.11.4	5,950	11,209	16,208
Trade and other receivables		1,667	1,667	1,667
Other current assets		264	264	264
TOTAL CURRENT ASSETS		7,881	13,140	18,139
NON CURRENT ASSETS				
Property and equipment		480	480	480
Intangible assets		2,381	2,381	2,381
Deferred tax assets	4.11.6	1,111	1,392	1,392
TOTAL NON CURRENT ASSETS		3,972	4,253	4,253
TOTAL ASSETS		11,853	17,393	22,392
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		1,615	1,615	1,615
Employee provisions		354	354	354
Tax liabilities		523	523	523
Lease incentive		47	47	47
TOTAL CURRENT LIABILITIES		2,539	2,539	2,539
NON CURRENT LIABILITIES				
Employee provisions		222	222	222
Lease incentive		75	75	75
TOTAL LONG TERM LIABILITIES		297	297	297
TOTAL LIABILITIES		2,836	2,836	2,836
NET ASSETS		9,017	14,557	19,556

\$'000 30 June 2015	Pro forma adjustment note	Statutory audited \$'000	Reviewed minimum pro forma \$'000	Reviewed maximum pro forma \$'000
SHAREHOLDERS EQUITY				
Issued capital	4.11.2, 4.11.3 and 4.11.4	16,152	23,677	28,668
Retained losses	4.11.1, 4.11.3, 4.11.5 and 4.11.6	(7,229)	(9,294)	(9,286)
Other reserves	4.11.5	94	174	174
TOTAL SHAREHOLDERS EQUITY		9,017	14,557	19,556

The historical statement of financial position has been extracted from the audited financial statements of Class for FY15.

The pro forma Statement of financial position as at 30 June 2015 reflects the pro forma transactions, the application of the funds from the Offers less the costs associated with the Offers as set out in Section 4.11

4.11 Pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2015 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 30 June 2015 and the date of this Prospectus which the Directors consider require disclosure.

Pro forma transactions:

1. The payment of two separate dividends amounting to \$0.84 million each (total of \$1.7 million) to Existing Shareholders prior to the Listing;
2. The issue of between 5 million (minimum subscription) and 10 million (maximum subscription) fully paid ordinary shares at \$1.00 per Share, amounting to between \$5.0 million and \$10.0 million;
3. Expenses associated with the Offer are estimated to be \$0.9 million (inclusive of GST). Approximately \$0.3 million has been attributed to contributed equity and \$0.6 million to retained losses including \$0.18 million of stamp duty that is payable on the transfer of Sale Shares to SaleCo and the on-sale of those Sale Shares by SaleCo;
4. The Company has an equity scheme pursuant to which certain employees may access a loan funded share plan. The acquisition of Shares by an employee in the Company is fully funded by the Company through the granting of a full recourse loan over a period of up to 42 months. The loan funded share plan shares are held in a trust until the vesting conditions are satisfied and the loan is repaid. Unvested shares held by the trust are controlled by the Company and are recorded as treasury shares representing a deduction against issued capital. On Listing these loans will be repaid in full and the loan funded share plan terminated amounting to \$2.9 million;
5. Vesting of the treasury shares issued (amounting to \$81,000) as a consequence of the Listing which have been treated as a share based payment and valued by the Directors using the Black Scholes option valuation methodology; and
6. Recognition of a deferred tax asset (amounting to \$0.28 million) relating to the Offer costs.

4. Financial Information continued

4.12 Reviewed pro forma cash and cash equivalents

The reviewed pro forma cash and cash equivalents reflect the pre Listing dividends, the proceeds from the Offer, payment of the costs of the Offer and repayment of the loan funded share plan as set out below:

	Pro forma adjustment	Reviewed minimum pro forma \$'000	Reviewed maximum pro forma \$'000
Audited cash and cash equivalents at 30 June 2015		5,950	5,950
Pro forma transactions:			
Payment of the pre Listing dividends	4.11.1	(1,670)	(1,670)
Proceeds from shares issued under the Offer	4.11.2	5,000	10,000
Payment of the Offer costs	4.11.3	(935)	(936)
Loan funded share plan repayment	4.11.4	2,864	2,864
Pro forma cash and cash equivalents		11,209	16,208

Class expects that it will have sufficient cash to fund its operational requirements and business needs following the Offer.

4.13 Reviewed pro forma share capital

The reviewed pro forma share capital reflects the issue of Shares under the Offer, the capitalised Offer costs, and the fair value of the shares relating to the loan funded share plan as set out below:

	Pro forma adjustment	Pro forma no. of ordinary shares	Minimum		Maximum	
			Reviewed pro forma \$'000	Pro forma no. of ordinary shares	Reviewed pro forma \$'000	
Audited share capital at 30 June 2015		111,350,680	16,152	111,350,680	16,152	
Pro forma transactions:						
Proceeds from Shares issued under the Offer	4.11.2	5,000,000	5,000	10,000,000	10,000	
Offer costs paid	4.11.3	-	(339)	-	(348)	
Loan funded share plan repayment	4.11.4	-	2,864	-	2,864	
Pro forma share capital		116,350,680	23,677	121,350,680	28,668	

4.14 Reviewed pro forma retained losses

The reviewed pro forma retained losses reflect the pre Listing dividends being paid, payment of the Offer costs, share based payment expense attaching to the treasury shares and the recognition of a deferred tax asset relating to the Offer costs as set out below:

	Pro forma adjustment	Reviewed minimum pro forma \$'000	Reviewed maximum pro forma \$'000
Audited retained losses at 30 June 2015		(7,229)	(7,229)
Pro forma transactions:			
Payment of the pre Listing dividends	4.11.1	(1,670)	(1,670)
Offer costs expensed	4.11.3	(596)	(588)
Vesting of the treasury shares on Listing	4.11.5	(81)	(81)
Recognition of a deferred tax asset	4.11.6	282	282
Pro forma retained losses		(9,294)	(9,286)

4.15 Dividend policy

The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors, including the operating results and financial condition of the Company, general business conditions, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions (including under the Corporations Act) on the payment of dividends by the Company, and any other factors the Directors may consider relevant at that time.

Subject to the factors referred to above, from 1 July 2017, the Directors intend to target a dividend payout ratio in the range of 50% to 80% of NPAT (before significant items). Dividends are currently unfranked due to the utilisation of historical tax losses and treatment of the R&D Tax Incentive. The commencement of franking of dividends will depend on the amount of tax payable by the Company.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

Subject to maintaining the Billable Portfolio numbers as at 30 September 2015 and its FY15 NPAT margin (as outlined in Section 4.3), the Directors expect that an unfranked dividend of 0.75 cents per quarter (or 3 cents per annum) will be paid in respect of FY16. The first quarterly dividend for FY16 of 0.75 cents has already been declared on shares held by Shareholders on the register as at close of business on 25 September 2015.

4. Financial Information continued

4.16 Significant accounting policies

The historical financial information has been prepared in accordance with AGAAP. The following is a summary of the significant accounting policies used in the preparation of the historical financial information.

Principles of consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Software licence fees

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the licence. Revenue is recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Service fees

Fees for the provision of services are recognised as revenue as the services are rendered, in accordance with the terms and conditions of the service agreement.

Commission and partner fees

The Group recognises commission and partner fees pursuant to an agreement when it sells a third party's products to customers which provides these customers with access to products and services.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Class Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime with effect from 1 July 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

4. Financial Information continued

Website tool and software development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the internal development and their costs can be measured reliably. These capitalised costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of three years.

Trademark and domain names

Significant costs associated with trademark and domain names are capitalised and are not amortised, on the basis of indefinite life, which is reassessed every year. Instead, these are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Computer software

Software costs purchased from third parties, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between three to five years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share based payments

Equity settled share based compensation benefits are provided to employees.

5. Independent Limited Assurance Report





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Board of Directors
Class Limited
Level 3, 228 Pitt Street
SYDNEY, NSW, 2000

Directors
Class SaleCo Limited
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SYDNEY, NSW, 2000

Level 17, 383 Kent Street
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26 October 2015

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by Class Limited (“Class”, or the “Company”) to report on the historical and pro forma financial information of the Company for inclusion in the replacement prospectus (the “Prospectus”) to be dated on or about 26 October 2015, and to be issued by Class in respect of the Offers.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance”) holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Scope

You have requested Grant Thornton Corporate Finance to review the following Historical Financial Information of the Company included in the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in the Prospectus comprises:

- The audited consolidated historical statement of comprehensive income of the Company and its subsidiaries (the “Group”) for FY2013, FY2014 and FY2015;
- The audited consolidated historical statement of cash flows of the Group for FY2013, FY2014 and FY2015;

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

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- The audited consolidated historical statement of financial position of the Group as at 30 June 2015; and
- The pro forma consolidated statement of financial position of the Group as at 30 June 2015, which assumes completion of the transactions outlined in **Section 4.11** of the “Financial Information” section (which include the Offer) (the “Pro Forma Transactions”) as though they had occurred on that date.

The Historical Financial Information other than the Pro Forma Transactions and the results of the associated adjustments to the consolidated pro forma statement of financial position has been extracted from the audited financial statements for FY2013 and FY2014 which were audited by Crispin & Jeffery Chartered Accountants who issued unqualified audit opinions in respect of these periods, and FY2015 which was audited by Grant Thornton Audit Pty Ltd who issued an unqualified audit opinion.

The stated basis of preparation is the recognition and measurement principles contained under Australian Generally Accepted Accounting Principles (“AGAAP”) and the Class adopted accounting principles applied to the Historical Financial Information.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Historical Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors’ Responsibility

The Directors of Class are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.



Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: “*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Financial Information*” and ASAE 3420: “*Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information*”.

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Our engagement did not involve updating or reissuing any previously issued audit reports on any historical financial information used as a source of the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Historical Financial Information as described in the “Financial Information” section of the Prospectus does not present fairly:
 - The audited consolidated historical statement of comprehensive income of the Group for FY2013, FY2014 and FY2015;
 - The audited consolidated historical statement of cash flows of the Group for FY2013, FY2014 and FY2015,
 - The audited consolidated historical statement of financial position of the Group as at 30 June 2015; or
 - The pro forma consolidated historical statement of financial position of the Group as at 30 June 2015; or
- The pro forma consolidated statement of financial position of the Group as at 30 June 2015 has not been properly prepared on the basis of the Pro Forma Transactions or the Pro Forma Transactions do not set out a reasonable basis for it;



in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AGAAP.

Restriction on Use

Without modifying our conclusion, we draw attention to the “Financial Information” section of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke
Partner

Matthew Leivesley
Partner –Audit & Assurance



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Appendix A (Financial Services Guide)

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This Financial Services Guide is dated 26 October 2015.

About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Class Limited ("the Company") to provide a report in the form of an Independent Limited Assurance Report for inclusion in a Replacement Prospectus dated on or about 26 October 2015 ("the Prospectus") relating to the offer of ordinary shares in the Company ("the Report"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

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Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of the Report, our fees are charged on a fixed basis. Partners, Directors or employees of Grant Thornton Corporate Finance, Grant Thornton Australia Ltd, or other associated entities, may receive dividends, salary or wages from Grant Thornton Australia Ltd. The fees charged for the preparation of the Report agreed by the Company is \$40,000.

Associations with issuers of financial products

Grant Thornton Corporate Finance and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, Grant Thornton Audit Pty Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for the Report and this FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

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6. Key Risk Factors Associated with Investing



6. Key Risk Factors Associated with Investing

This Section 6 describes some of the potential risk factors associated with Class' business and an investment in Class. Class is subject to a number of risks both specific to Class' business activities and of a general nature, which may either individually or in combination adversely impact the future operating and financial performance of Class, its investment returns and the value of its Shares.

Investors should note that this Section 6 does not purport to list every risk that may be associated with an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of Class, its Directors, SaleCo, the SaleCo Directors and management of Class. There can be no guarantee that Class will achieve its stated objectives or that any forward looking statement will eventuate.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

Before applying for Shares, any prospective investor should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this Section 6, and should consider whether Shares are a suitable investment for them having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus, or are in any doubt as to whether or not to invest in Shares, it is recommended that you seek professional guidance from your broker, lawyer, accountant, taxation adviser, financial adviser or other independent and qualified professional adviser before deciding whether to invest.

6.1 Risks specific to an investment in Class

(a) Failure to retain and attract customers

Class' key customers are accountants and others who administer SMSFs on behalf of their clients. Class' business is dependent on its ability to retain its existing customers and attract new customers. Class relies on its customers paying licence fees on a monthly basis for subscriptions to its products.

The top five customers of Class currently contribute approximately 17% of the licence fees paid to Class. Loss of any of these customers would have an adverse impact on Class' business.

Class has entered into a mix of ongoing and month-to-month contracts with its customers. The majority of the ongoing contracts can be terminated with 90 days' notice by the customer.

Customers may terminate their contracts if an existing or new competitor introduces a competing product which is perceived by customers to be superior to Class' products or Class introduces a product, or makes changes to its existing products, that are not well received by customers. There is also the risk that Class may fail to maintain its current customer service standards or may not develop product offerings that meet its customers' future requirements.

A failure by Class to retain and attract customers could have an adverse impact on Class' business, operations and financial performance.

(b) Competition

Class operates in a competitive market. The factors that may affect the competitive advantage of Class include awareness of its brand, the loyalty of and its relationship with its customers, the scope and features of its product offerings and its level of product innovation.

There is a risk that existing or new competitors could gain market share through product innovation, price discounting or aggressive marketing campaigns. Competition may also come from providers of complementary products or services offering products similar to those of Class. In addition, Class could lose customers and market share if it fails to adapt to technological and regulatory changes or customer expectations at the same rate as its competitors.

Increased competition could result in margin reductions and loss of market share, which could adversely affect Class' business, operations and financial performance.

(c) Fee risks

Class charges licence fees to its customers for use of its products. There is a risk that Class may not be able to maintain its revenue per customer. This may occur, for example, due to price discounting by competitors or if customers do not perceive value in Class' products.

Class may also need to reduce the level of its fees, for example as a result of a strategy to grow market share.

(d) Product development, maintenance and support

The retention and growth by Class of its customer base is dependent on continued product development and innovation, and the level of maintenance and customer support. Class may need to invest more on these matters than anticipated due to competitor activity, technological advances or regulatory changes.

This increased investment could lead to reduced return on its products as well as delays in introducing product innovations to the market. This may impact on Class' brand and reputation, business and financial performance.

In addition, if there is a decline in customer service delivery, this may also adversely impact on Class' brand and reputation.

(e) New products

Class' strategy involves the introduction of new product offerings or the expansion into other markets. There is a risk that these strategies may result in unforeseen costs or risks, or may not deliver the outcomes intended. There may also be unforeseen delay in the introduction of such products which may have an impact on Class' brand and reputation.

(f) Decline in SMSF sector

Class currently provides products for the administration of SMSFs. Therefore, the volume and growth of Class' customers is linked to the size and growth of the SMSF sector.

There is a risk that the SMSF sector may not grow as anticipated or may decline, for example due to changes in regulation (see Section 6.1(g)), increased administrative costs associated with establishing or maintaining a SMSF, or a downturn in the Australian economy. This would have a material adverse impact on Class' business, operations and financial performance.

(g) Regulation changes

Changes to laws, regulations, standards and practices applicable to the industry in which Class operates (for example, regulatory changes applicable to the administration of SMSFs, changes to super contribution caps and changes to the tax treatment of super) may have an impact on Class' business.

If Class fails to adequately respond to such changes, including by making such changes to its product offerings as required, or does not do so as effectively as its competitors, its business, operations and financial performance may be materially adversely affected.

6. Key Risk Factors Associated with Investing continued

(h) Arrangements with third party suppliers

Class relies on some third party suppliers and counterparties to maintain and support its technology platform and to provide continued access to its platform and data (such as the direct-connect data feed) to its customers.

Class could face business disruption, reputational damage and significant additional costs if:

- any of its third party providers should suffer outages which results in disruption to service to Class' technology platform;
- any of its third party providers fail to perform their obligations to Class as contracted for whatever reason; or
- Class' arrangements with such providers are terminated or altered in any way that is detrimental to Class or the functioning and features of its products, and Class is not able to find alternative sources of supply of the relevant product or service on commercially reasonable terms on a timely basis.

(i) Data loss or corruption and security breaches

Class provides its products online through its technology platform. Cyber attacks or exploitation of some unidentified vulnerability in Class' technology platform could lead to loss, theft or corruption of data. This could render the platform unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of customers' data, resulting in reputational damage, claims from customers and their clients and regulatory scrutiny and fines. This could lead to adverse impacts on Class' revenue and financial performance.

Although Class has strategies and protections in place to minimise security breaches and to protect data, these strategies might not be successful. Class also maintains insurance against cyber risks, but this insurance may not cover all potential losses.

(j) Disruption to Class' technology platform

Class' business is dependent on the performance, reliability and availability of its technology platform, which in turn, is reliant on third party communications systems (including servers, the internet and hosting services).

There is a risk of disruption to Class' platform for reasons which may include, without limitation:

- failure in the design and construction of Class' technology platform (including inability for the platform to handle an increase in customers, or errors and omissions in the performance of tasks or functions on the platform);
- a force majeure event that affects the systems of either Class or its suppliers, including interruption by fire, natural disaster, power loss, telecommunications failures, terrorist attacks, internet failures, computer viruses or other events beyond Class' control.

Although Class has strategies in place to minimise the risk of such disruption, these strategies may not be successful. Unavailability of Class' platform could lead to reputational damage and have an adverse impact on Class' relationships with its customers, and its business, operations and financial performance.

(k) Protection of intellectual property

Class' business is heavily dependent on its ability to maintain its rights to the intellectual property in its products and platform. Class relies on laws relating to trade secrets, copyright (including in or relating to its software products) and trade marks to assist in protecting its proprietary rights. However, there is a risk that unauthorised use or copying of Class' software, data, technology or trade mark may occur. Monitoring unauthorised use of Class' intellectual property is difficult and may require significant resources. Class may be unable to detect unauthorised use of its intellectual property rights.

In addition, there may be a risk that the validity, ownership or use of intellectual property relating to Class' business is challenged by third parties.

Class may be required to incur significant costs and expenses in protecting its intellectual property rights or defending claims by third parties for infringement of intellectual property rights. If Class is not successful in any such litigation or claims, it may be required to pay damages and costs to third parties. In addition, if any such claims result in Class being unable to continue to use any of its key intellectual property, and it is unable to find a cost-effective alternative, then this may materially adversely impact on Class' reputation, business, operations and financial performance. Moreover, whether or not litigation is successful, Class' involvement in litigation could result in significant cost and expense to Class and cause a distraction to management.

There is also the risk that if Class develops new intellectual property in the future, it may not be able to obtain adequate legal protection for such intellectual property. Competitors may also be able to independently develop intellectual property and technologies similar to that of Class, without infringing any of its intellectual property or other proprietary rights. This may adversely impact on Class' competitiveness, revenue and financial performance.

(l) Compliance with regulation

Class is subject to regulation concerning how its business is conducted. In particular, Class Super Pty Limited holds an Australian financial services licence and both Class Super Pty Limited and the Company hold a tax agent's registration, and must comply with relevant requirements of the Corporations Act and tax agent services legislation (and the relevant licence and registration conditions) respectively in relation to such licence and registration.

A failure to comply with all relevant regulation may result in the Company (or its relevant Subsidiary) incurring a penalty (such as a fine), censure which restricts the normal conduct of business, an obligation to pay compensation, the need to give a written undertaking to comply or receiving a direction to comply. In some cases, a regulator may cancel or suspend the relevant licence or registration or undertake proceedings against the Company (or its Subsidiary).

A significant failure to comply with regulatory requirements, including in relation to data and information privacy, may also give rise to reputational damage, and an adverse impact on Class' business and financial performance.

(m) Key personnel risk

The success of Class, including its ability to effectively execute its business strategy, depends to a significant extent on its key personnel, in particular the senior management team described in Section 8.2. These individuals have extensive experience in, and knowledge of, the industry in which Class operates. Changes that adversely affect Class' ability to retain key personnel or an inability to recruit or retain suitable replacement or additional personnel could materially impact Class' business, operational performance and financial results.

Class has sought to mitigate this risk by adopting the ESOP described in Section 9.6(a). It is intended that the ESOP will enable Class to retain and attract skilled and experienced employees and provide them with the motivation to make Class more successful.

(n) Risk of litigation, claims and disputes

Class may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes with suppliers or customers, employment disputes, indemnity claims, and occupational and other claims.

There is a risk that such litigation, claims and disputes could materially adversely impact Class' operating and financial performance due to the cost of settling such claims, and affect Class' reputation.

6. Key Risk Factors Associated with Investing continued

6.2 General risks

(a) General economic conditions

The operating and financial performance of Class is influenced by a variety of general domestic and world economic and business conditions, inflation, interest rates, exchange rates, access to debt and equity capital markets, and government fiscal, monetary and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse effect on the financial performance, financial position, cash flows, distributions, growth prospects and Share price of the Company.

(b) Force majeure events

Events such as acts of terrorism, an outbreak of international hostilities or natural disasters may occur within or outside Australia that have an impact on Class' business. Any such force majeure events may have a negative impact on the value of an investment in Shares in the Company.

(c) Further funding requirements

Although the Directors are of the opinion that, on Completion of the Offer, Class will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the then existing shareholders of Class. See also Section 6.3(c).

(d) Taxation

There is the potential for changes to Australia's tax laws. Any change to the current rates of taxes imposed on Class is likely to affect returns to Shareholders. An interpretation of taxation laws by the relevant tax authority that is contrary to Class' view of those laws may increase the amount of tax to be paid. Class obtains external expert advice on the application of tax laws to its operations.

In addition, an investment in Shares involves tax considerations which may differ for each Shareholder. Investors are encouraged to obtain professional tax advice in connection with any investment in Class.

(e) Accounting standards

Changes to the AAS are determined by the AASB. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables, may differ. Changes to AAS issued by the AASB or changes to the commonly held views on the application of those standards could materially and adversely affect the financial performance and position reported in Class' financial statements.

6.3 Risks associated with holding Shares

(a) Stock market risks

Potential investors should recognise that there are risks associated with any investment in shares. The price at which Shares may trade on ASX may vary depending on various factors, including, but not limited to, the following:

- the financial performance of Class;
- announcements of technological innovations or new products and services by Class or its competitors;
- changes to government fiscal, monetary or regulatory policy, legislation or the regulatory environment in which Class operates;
- changes in investor sentiment towards particular market sectors;
- fluctuations in the domestic and international market for listed shares;
- fluctuations in general domestic and global economic conditions, including interest rates, exchange rates, inflation rates and commodity prices;
- the demand for, and supply of capital; and
- other events or factors which may be beyond the control of Class.

In particular there is a risk that the price at which Shares trade on ASX may be less than the price payable for Shares under this Prospectus. Further, there is no guarantee that an active, liquid market in the Shares will develop.

(b) Liquidity of Shares

Once the Shares are quoted on ASX, there can be no guarantee that an active market in Shares will develop or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. There is a risk that this increases the volatility of the market price of Shares and the prevailing market price at which Shareholders are able to sell their Shares. This may result in investors under the Offer receiving a market price for their Shares that is less than the Offer Price.

(c) Additional capital and risk of dilution

Class may elect to issue Shares in connection with fundraising, to finance its continued growth or other future developments. The amount and timing of such additional financing needs will vary primarily on the amount of cash flow from Class' operations. While Class will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), there is a risk that the future sale of additional equity could result in dilution for Shareholders.

(d) No guarantee of dividends

There is no guarantee that dividends will be paid on Shares in the future as this is a matter that depends on the financial performance of Class. Refer to Section 4.15 for more information about the Company's dividend policy.

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7. Details of the Offer



7. Details of the Offer

7.1 Description of the Offer

This Prospectus relates to an Offer of up to 29,860,876 Shares in Class (comprising 5,000,000 to 10,000,000 New Shares, and up to 19,860,876 Existing Shares) at an Offer Price of \$1.00 per Share.

If 5,000,000 New Shares are issued by Class and 19,860,876 Existing Shares are sold by SaleCo, then the total number of Shares issued and sold under the Offer will represent 21.37% of the Shares on issue at Completion of the Offer.

If 10,000,000 New Shares are issued by Class and 19,860,876 Existing Shares are sold by SaleCo, then the total number of Shares issued and sold under the Offer will represent 24.61% of the Shares on issue at Completion of the Offer.

The Offer will raise up to \$29,860,876, comprising between \$5,000,000 and \$10,000,000⁵⁸ from the issue of New Shares by Class and up to \$19,860,876 from the sale of Existing Shares by SaleCo.

The total number of Shares on issue at Completion of the Offer will be between 116,350,680 and 121,350,680 (assuming that the number of New Shares issued under the Offer is between 5,000,000 and 10,000,000) and all Shares will, once issued, rank equally in all respects with the Shares currently on issue. A summary of the rights attaching to the Shares is set out in Section 9.4.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.2 Structure of the Offer

The Offer comprises:

- the CTC Offer, which is open to Eligible Customers of Class and their Eligible Nominees (see Section 7.7);
- the Employee Offer, which is open to Eligible Employees (see Section 7.8); and
- the General Offer, which is open generally to investors in Australia (see Section 7.9).

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.3 Purpose of the Offer and use of proceeds

The Offer will raise gross proceeds of between \$5,000,000 at the minimum subscription level (from the issue of New Shares) and \$29,860,876⁵⁸ at the maximum subscription level (from the issue of New Shares and sale of Existing Shares).

The purpose of the Offer is to:

- provide Class with the financial flexibility and access to capital markets to more rapidly implement its future strategic plans;
- boost the financial strength of Class and support its business strategies set out in Section 3.7;
- provide Class with better access to a deeper pool of equity capital that may be required for future growth
- provide a liquid market for the Company's Shares and an opportunity for new shareholders (including its customers) to invest in Class; and
- assist in retaining and attracting employees by providing the opportunity to own shares in a publicly listed entity.

If Applications are received for more than the minimum subscription level of \$5,000,000, the Offer will also allow Selling Shareholders an opportunity to sell down part of their shareholding in Class. However, if Applications for only the minimum subscription level of \$5,000,000 are received, then those Applications will be applied to the issue of New Shares by Class and no Existing Shares will be sold by SaleCo under the Offer.

⁵⁸ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

The minimum subscription proceeds of \$5,000,000 will be applied to:

- pay the costs of the Offer;
- support the day-to-day operations of Class;
- assist with the continued development of Class' existing offerings and to develop and grow new offerings, including rolling out Class Portfolio; and
- support the business strategies set out in Section 3.7.

If additional funds above the minimum subscription level of \$5,000,000 are raised under the Offer, then those additional proceeds will be applied:

- by SaleCo to pay the Selling Shareholders the consideration payable by SaleCo for their Sale Shares; and
- at the discretion of Class, some of those additional proceeds may also be applied to support the business strategies set out in Section 3.7, and assist with possible acquisitions, if any such opportunities should arise.

The Directors believe that, on Completion of the Offer, Class will have sufficient funds available from the proceeds of the Offer (even at the minimum subscription level), its existing funds and by reinvesting internally generated cash flow from its business, to fulfil the purposes of the Offer and to meet its stated business objectives.

The table below details Class' sources of funding and the uses of those amounts assuming the following two positions:

- minimum subscription position (that is, Applications for only the minimum subscription level of \$5,000,000 are received); and
- maximum subscription position (that is, Applications for the maximum subscription level of \$29,860,876⁵⁹ are received).

The following table details the sources of funding (including the proceeds of the Offer) and the uses of those amounts:

\$'000 Sources	Minimum Subscription	Maximum Subscription
Cash proceeds received from transfer of Existing Shares by SaleCo ⁶¹	–	19,861
Cash proceeds received from issue of New Shares by Class ⁶⁰	5,000	10,000
Repayment by management of non-recourse loans ⁶²	–	2,864
Total sources	5,000	32,725
Uses		
Payment by SaleCo to Selling Shareholders ⁶¹	–	19,861
Payment of costs of the Offer	935	936
Increase in cash and cash equivalents	4,065	11,928
Total uses	5,000	32,725

Class' consolidated historical and pro forma statement of financial position at 30 June 2015, including details of the pro forma adjustments, are set out in Section 4.10 to 4.14.

⁵⁹ This includes proceeds raised from the sale of Existing Shares as well as from the issue of New Shares, but excludes any Shares issued or transferred under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

⁶⁰ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer as no cash payment is required to be made by Applicants under the Employee Offer.

⁶¹ Assumes that no Existing Shareholder who has offered to sell Existing Shares to SaleCo under the sell down withdraws its offer (either in whole or in part). Existing Shareholders have offered to sell a total of 19,860,876 Existing Shares under the sell down.

⁶² Assumes that all amounts owing by the employees in relation to shares acquired by them under the Company's loan funded share plan (which will be terminated with effect from Completion of the Offer) are repaid in full (see Section 4.11.4 for more details).

7. Details of the Offer continued

7.4 Capital structure

The following table sets out the capital structure of Class before and immediately after Completion of the Offer.

Ordinary Shares	Minimum Subscription Number	Maximum Subscription Number
Shares currently on issue	111,350,680	111,350,680
New Shares to be issued pursuant to the offer	5,000,000	10,000,000
Total Shares on issue on Completion of the Offer (undiluted)	116,350,680	121,350,680
Unlisted Options on issue	3,712,590	3,712,590
Total Shares on Issue on completion of the Offer (fully diluted)	120,063,270	125,063,270

A description of the rights and liabilities attached to the Shares is set out in Section 9.4.

Options currently on issue	Number
Options vest on 1 January 2017, have an exercise price of \$1.10 and expire 30 September 2019.	2,624,084
Options vest on 30 September 2018, have an exercise price of \$1.33 and expire 30 September 2020.	1,088,506
Unlisted Options on issue	3,712,590

All Options are issued under the ESOP. For more information about the ESOP, refer to Sections 8.6 and 9.6(a).

7.5 Sale of Existing Shares by SaleCo

A special purpose vehicle, SaleCo, was incorporated on 13 August 2015 to facilitate the sale by Existing Shareholders of part of their Existing Shares in Class. On 11 September 2015, Class and SaleCo invited Existing Shareholders to offer to sell their Existing Shares to SaleCo in connection with the Listing. As at the date of this Prospectus, Class and SaleCo have received offers from Existing Shareholders to sell 19,860,876 Existing Shares to SaleCo. However, as Existing Shareholders have 14 days from the date of the Original Prospectus to withdraw their offers, the final number of Existing Shares offered for sale by the Existing Shareholders will not be known until after that date. The maximum number of Existing Shares that SaleCo will agree to buy from Existing Shareholders is 19,860,876.

At or around completion of the Offer, the following key steps will occur (assuming that the minimum subscription for the Offer is reached):

- SaleCo and Class will determine how many Existing Shares offered for sale that SaleCo will agree to buy (those Existing Shares being the “Sale Shares”). The Existing Shareholders that SaleCo agrees to buy Existing Shares from will be the “Selling Shareholders”.
- The Selling Shareholders will transfer to SaleCo the Sale Shares.
- SaleCo will sell the Sale Shares to investors under the Offer.
- Proceeds from the sale of the Sale Shares to successful Applicants under the Offer will be paid by SaleCo to the Selling Shareholders. The price payable by SaleCo to the Selling Shareholders for their Sale Shares will be the Offer Price.

SaleCo has no material assets and its only activities are as described in this Prospectus (and any other incidental activities required to be undertaken to facilitate the sale by Existing Shareholders of part of their Existing Shares). Class has agreed to indemnify, to the fullest extent permitted by law, SaleCo and the SaleCo Directors for any loss which SaleCo or the SaleCo Directors may incur as a consequence of the Offer.

The SaleCo Directors are Barry Lambert, Kevin Bungard and Glenn Day. The Company Secretary of SaleCo is Glenn Day, and the sole shareholders of SaleCo are Barry Lambert and Kevin Bungard.

SaleCo will be wound up as soon as practicable after Completion of the Offer.

7.6 Key Offer terms and conditions

The key terms and conditions of the Offer are summarised below. Further details of the Offer are contained in this Section 7 and elsewhere in this Prospectus which you should read in full.

What type of security is being offered?	Shares, being fully paid ordinary shares in the capital of Class
What rights and liabilities are attached to the security being offered?	A description of the rights and liabilities attached to the Shares is set out in Section 9.4.
What consideration is payable for each security offered?	The Offer Price is \$1.00 per Share.
How many Shares are offered under the Offer?	Class and SaleCo will offer in aggregate up to 29,860,876 Shares under the Offer.
What are the cash proceeds to be raised?	Between \$5,000,000 and \$10,000,000 ⁶³ will be raised by Class through the Offer. Up to \$19,860,876 will be raised by SaleCo through the Offer. The proceeds received by SaleCo will be paid to the Selling Shareholders.
What is the minimum and maximum application size?	Applications under the CTC Offer and General Offer must be for a minimum of \$3,000 worth of Shares and in multiples of \$1,000 worth of Shares thereafter. Under the CTC Offer, each Eligible Customer and their Eligible Nominees may only apply for an aggregate amount of Shares up to the value specified in the relevant Eligible Customer's personalised invitation. There is no maximum number or value of Shares that may be applied for under the General Offer. Under the Employee Offer, Eligible Employees will be offered the opportunity to apply for up to \$1,000 worth of Shares each for no cash payment.

⁶³ This figure will be less \$43,000, being the value of the Shares offered under the Employee Offer, as no cash payment is required to be made by Applicants under the Employee Offer.

7. Details of the Offer continued

Is there any guaranteed allocation?	<p>As noted above, all Eligible Employees will be offered the opportunity to apply for up to \$1,000 worth of Shares each for no cash payment.</p> <p>Beyond this, there is no guaranteed allocation of Shares and the allocation of Shares to Applicants is within Class' and SaleCo's discretion.</p>
What happens if there are insufficient Applications for Shares under the Offer?	<p>The Offer is subject to a minimum subscription for New Shares of \$5,000,000. This means that no New Shares will be issued under the Offer unless total applications for a minimum amount of \$5,000,000 (or 5,000,000 Shares) are received.</p> <p>Successful Applicants will first be issued New Shares up to an aggregate amount of \$5,000,000 of New Shares, before being transferred Existing Shares. Other than this, successful Applicants will either be issued New Shares by Class or transferred Existing Shares by SaleCo (or both) at the discretion of Class and SaleCo.</p> <p>If this minimum subscription is not reached within 4 months of the date of this Prospectus, all Applications will be dealt with in accordance with the Corporations Act.</p>
Is the Offer underwritten?	No, the Offer is not underwritten.
Can the Offer be withdrawn?	<p>Yes. The Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants.</p> <p>If the Offer does not proceed, the Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>
Will the Shares be listed?	<p>Class has applied for admission to the Official List and quotation of Shares on the ASX (which is expected to be under the code CL1 (which may be changed prior to Listing)).</p> <p>Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 16 December 2015.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. Class and SaleCo disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line or otherwise.</p>

Closing date of the Offer	<p>The closing date of the CTC Offer is expected to be 5:00pm (AEDT) on Friday, 27 November 2015.</p> <p>The closing date of the Employee Offer and General Offer is expected to be 5:00pm (AEDT) on Friday, 4 December 2015.</p> <p>Applications and Application Monies must be received by the Share Registry by no later than the times and dates specified above, unless Class elects to close the Offer or any part of the Offer early, extend the Offer or any part of it or to accept late Applications either generally or in particular cases. The Offer or any part of the Offer may be closed at any earlier date and time, without notice.</p> <p>Applicants are therefore encouraged to submit their Applications as early as possible.</p> <p>Note that Applicants paying via BPAY® should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment than the time at which the Offer closes and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted via BPAY® are received by Class by the relevant due date.</p>
What are the tax implications of investing in the Shares?	<p>Given that the taxation consequences of an investment will depend on the investor's particular circumstances, it is the obligation of the investors to make their own enquiries concerning the taxation consequences of an investment in Class. If you are in doubt as to the course you should follow, you should consult your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser before deciding whether to invest in the Company.</p> <p>A general overview of the tax treatment for Australian resident investors is included in Section 9.10.</p>
Is there any brokerage, commission or stamp duty considerations?	<p>No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. To the extent that any stamp duty is payable on the transfer of Shares by SaleCo to Applicants, the Company will bear the cost of such duty.</p>
Where should I direct any enquiries?	<p>If you require more information about this Prospectus or the Offer, call the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) from 8:30am to 5:30pm (AEDT), Monday to Friday.</p> <p>If you are in doubt as to the course you should follow, you should consult your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser before deciding whether to invest in the Company.</p>

7. Details of the Offer continued

7.7 CTC Offer

(a) Who can apply

The CTC Offer is open to Eligible Customers (being persons party to licence agreements with Class as at 31 August 2015) who have received a personalised invitation from Class to participate in the CTC Offer and their nominees, in each case, who have a registered address in Australia.

(b) How to apply

If you have received a CTC Offer invitation and you or your Eligible Nominee wishes to apply for Shares, you should follow the instructions on your personalised invitation.

The minimum Application under the CTC Offer is \$3,000 worth of Shares and in multiples of \$1,000 thereafter. Each Eligible Customer and their Eligible Nominees may only apply for an aggregate number of Shares up to the amount indicated on the Eligible Customer's personalised invitation.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

(c) How to pay

Applicants under the CTC Offer must pay their Application Monies via BPAY® in accordance with the instructions on the online Application Form.

When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number which is generated by the online Application Form and is displayed on the final confirmation page.

Your Application Monies must be received by the Share Registry by no later than 5:00pm (AEDT) on Friday, 27 November 2015 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making your payment. Neither Class nor SaleCo takes any responsibility for any failure to receive Application Monies or payment before the CTC Offer closes arising as a result of, among other things, delay in processing of payments by financial institutions.

For more details, call the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) from 8:30am to 5:30pm (AEDT), Monday to Friday.

(d) Application Monies

Class reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the CTC Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price.

If the amount of your payment for Application Monies is insufficient to pay for the number of Shares you have applied for, you may be taken to have applied for such lower number of Shares as your cleared Application Monies will pay for, or your Application may be rejected.

(e) Acceptance of Applications

An Application in the CTC Offer is an offer by the Applicant to Class and SaleCo to subscribe for or purchase Shares for all or any of the Application amount specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this Prospectus including any supplementary or replacement Prospectus and the Application Form (and including the acknowledgments in Section 7.16). To the extent permitted by law, an Application is irrevocable.

Class and SaleCo reserve the right to decline any Application in whole or in part, without giving any reason. An Application may be accepted by Class and SaleCo in respect of the full number or a lower number of Shares specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

(f) Allocation policy

The allocation of Shares under the CTC Offer will be at the absolute discretion of Class and SaleCo. There is no assurance that an Applicant will receive the number of Shares (or any Shares) applied for under the CTC Offer. Applicants who have received a valid allocation of Shares under the CTC Offer will either be issued New Shares by Class or transferred Existing Shares by SaleCo (or both).

7.8 Employee Offer

(a) Who can apply

All Eligible Employees are entitled to participate in the Employee Offer. An Eligible Employee is a permanent full-time or part-time employee of Class who has been employed by Class for at least six months as at 30 September 2015 (provided that they remain so employed at Thursday, 10 December 2015) and who is a resident of Australia. Senior Management who have received Options under the ESOP (refer to Section 8.6) are not entitled to participate in the Employee Offer.

(b) How to apply

If you are an Eligible Employee, you should have received a personalised invitation to apply for Shares under the Employee Offer, together with this Prospectus. If you wish to apply for Shares under the Employee Offer, you should follow the instructions on your personalised invitation.

(c) Application Monies

No payment is required to apply for Shares under the Employee Offer.

(d) Allocation policy

Successful Applicants under the Employee Offer will receive a guaranteed allocation of \$1,000 worth of Shares.

7.9 General Offer

(a) Who can apply

The General Offer is open to any investor who has a registered address in Australia. Persons who have applied for Shares under the CTC Offer or the Employee Offer can apply for further Shares under the General Offer.

(b) How to apply

The minimum Application under the General Offer is \$3,000 worth of Shares and in multiples of \$1,000 thereafter.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7. Details of the Offer continued

(c) How to pay

Applicants under the General Offer must pay their Application Monies by cheque, bank draft or via BPAY®. Payments by cheque or bank draft must be made payable to “Class Limited IPO” and crossed “Not Negotiable” and accompanied by a valid and properly completed Application Form. The cheque or bank draft and Application Form must be mailed or delivered so that it is received before 5:00pm (AEDT) on Friday, 4 December 2015 at:

Mailing address:

Class Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand delivery:

Class Limited
c/-Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

Applicants paying their Application Monies via BPAY® must do so in accordance with the instructions on the online Application Form. When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number which is generated by the online Application Form and is displayed on the final confirmation page.

Your Application Monies must be received by the Share Registry by no later than 5:00pm (AEDT) on Friday, 4 December 2015 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making your payment. Neither Class nor SaleCo takes any responsibility for any failure to receive Application Monies or payment before the General Offer closes arising as a result of, among other things, delay in processing of payments by financial institutions.

For more details, call the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) from 8:30am to 5:30pm (AEDT), Monday to Friday.

(d) Application Monies

Class reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the General Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price.

If the amount of your payment for Application Monies is insufficient to pay for the number of Shares you have applied for, you may be taken to have applied for such lower number of Shares as your cleared Application Monies will pay for, or your Application may be rejected.

(e) Acceptance of Applications

An Application in the General Offer is an offer by the Applicant to Class and SaleCo to subscribe for or purchase Shares for all or any of the Application amount specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this Prospectus including any supplementary or replacement Prospectus and the Application Form (and including the acknowledgments in Section 7.16). To the extent permitted by law, an Application is irrevocable.

Class and SaleCo reserve the right to decline any Application in whole or in part, without giving any reason. An Application may be accepted by Class and SaleCo in respect of the full number or a lower number of Shares specified in the Application Form without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

(f) Allocation policy

The allocation of Shares under the General Offer will be at the absolute discretion of Class and SaleCo, although Class and SaleCo, may in their absolute discretion, give preference to Applications from employees and directors of the Class Group. There is no assurance that an Applicant will receive the number of Shares (or any Shares) applied for under the General Offer. Applicants who have received a valid allocation of Shares under the General Offer will either be issued New Shares by Class or transferred Existing Shares by SaleCo (or both).

7.10 Discretion regarding the Offer

Class and SaleCo reserve the right not to proceed with the Offer or any part of the Offer at any time before the allocation of Shares to Applicants. If the Offer or any part of the Offer is cancelled, all Application Monies, or the relevant Application Monies, will be refunded (without interest).

Class and SaleCo also reserve the right to close the Offer or any part of the Offer early, extend the Offer or any part of the Offer, accept late Applications or bids either generally or in particular cases, reject any Application or allocate to any Applicant fewer Shares than applied for.

7.11 Escrow restrictions

The Directors do not anticipate that ASX will classify any Shares as restricted securities and therefore anticipate that no ASX-imposed escrow will apply to the Shares. However, Class has applied to ASX for confirmation that this will be the case.

Shares issued under the Employee Offer will be subject to the disposal restrictions referred to in Section 9.6(b).

There will be no other voluntary escrow arrangements applied.

7.12 ASX listing

Application for admission of Class to the Official List of ASX and quotation of the Shares on ASX has been made to ASX. Class' expected ASX code is CL1 (which may be changed prior to Listing).

If Class is not admitted to the Official List within three months of the date of this Prospectus (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies will be refunded (without interest).

The fact that ASX may admit Class to the Official List is not to be taken as an indication of the merits of Class or the Shares offered for subscription.

7.13 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. To the extent that any stamp duty is payable on the transfer of Shares by SaleCo to Applicants, the Company will bear the cost of such stamp duty.

Investors who buy or sell Shares on ASX may be subject to brokerage and other transaction costs. Under current legislation, no stamp duty is payable on the sale or purchase of shares on ASX.

7.14 CHESS and issuer sponsored holdings

Class will apply to participate in ASX's Clearing House Electronic Sub-register System (**CHESS**), in accordance with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become Approved Financial Products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a

7. Details of the Offer continued

participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that they have been allocated. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Shareholder Reference Number (**SRN**) of issuer sponsored holders.

Shareholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

7.15 Trading and sale of Shares on market

It is expected that trading of the Shares on ASX will commence on or about Wednesday, 16 December 2015. It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares.

If Shares are sold before receiving a holding statement, successful Applicants do so at their own risk. Class and SaleCo disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding through the Offer Information Line.

7.16 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and applicable US state securities laws;
- it is not in the United States;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

7.17 Enquiries

If you require more information about this Prospectus or the Offer, call the Offer Information Line on 1800 009 918 (within Australia toll free) or +61 1800 009 918 (outside Australia) from 8:30am to 5:30pm (AEDT), Monday to Friday.

If you are in doubt as to the course you should follow, you should consult your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser before deciding whether to invest in the Company.

8. Key People, Interests, Benefits and Corporate Governance



8. Key People, Interests, Benefits and Corporate Governance

8.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Further details of each of the Directors are provided below.



Mr Barry Martin Lambert – Non-Executive Chairman

Mr Lambert was appointed Chairman of Class in November 2008.

Mr Lambert is also Chairman of ASX-listed Countplus Limited and a director of a number of its subsidiaries.

Mr Lambert established Count Financial Limited, a financial services group, in 1980 which was taken over by the Commonwealth Bank of Australia (CBA) in 2011.

Mr Lambert remained as Chairman of the CBA owned Count Financial Limited until 20 January 2014.

Mr Lambert is also the founder and a director of the Count Charitable Foundation.



Mr Kevin Bungard – Chief Executive Officer and Managing Director

Mr Bungard is a highly regarded industry expert in cloud technology systems, with more than 30 years' experience developing software solutions and applying technology in the Australian financial services and superannuation administration industries.

Mr Bungard joined Class in 2008 as Chief Operating Officer and has overseen the commercialisation, launch and rapid growth of Class Super.

In April 2014, Mr Bungard was appointed Chief Executive Officer and has continued to play an instrumental role in driving and delivering key innovation and successes for Class and its business. Mr Bungard also has responsibility, together with the Company Secretary, for human resources matters for Class.

Prior to joining Class, Mr Bungard was a General Manager at the IQ Group where he managed the delivery of technology and business process outsourcing solutions to Australia's largest superannuation funds and their administrators. Significant projects included the development, sale and commercialisation of enterprise software solutions to Bravura and Australian Unity.

Prior to his role at IQ Group, Mr Bungard was involved in major projects with Westfield, AMP, Macquarie and many of Australia's largest financial institutions.



Mr Anthony Fenning – Independent Non-Executive Director

Mr Fenning was appointed Chief Executive Officer of Shadforth Financial Group, a leading financial and business advisory firm in 2006. He took on the role of Managing Director of SFG Australia Ltd from 2011 to 2014, before the acquisition in 2014 of the business by IOOF. Previously, he was the Chief Executive Officer at Tynan Mackenzie and before that had a career in law and banking.

Mr Fenning completed an MBA in Management at the Australian Graduate School of Management and holds a Bachelor of Economics (BEc) and Bachelor of Laws (LLB).

Mr Fenning joined the Class Board in July 2015.



Ms Kathryn Foster – Independent Non-Executive Director

Ms Foster has over 20 years' experience creating and running large internet based businesses. Prior to becoming a professional director, Ms Foster was Senior Director of Microsoft Store online where she managed the sales and merchandising team for Microsoft Store online across 232 geographies. As the Senior Director, she was responsible for an annual revenue budget in the low billions of dollars.

As Senior Director of ecommerce strategy in Supply Chain, and prior to that, for the inception of the Xbox Games Marketplace, Ms Foster set business vision, strategy and drove the technical execution around digital and physical supply chain technology and operations to enable Xbox's billion dollar business globally.

Ms Foster joined the Class Board in July 2015.



Mr Roderick Kibble – Non-Executive Director

Mr Kibble holds a Bachelor of Commerce degree from the University of New South Wales, is a Chartered Accountant and Fellow of the Financial Services Institute of Australasia. He is also a graduate of the Australian Institute of Company Directors.

He has over 20 years' experience in bank assurance and investment markets, having been a senior executive at Price Waterhouse, Jardine Fleming Ord Minnett and J.P. Morgan Australia.

Mr Kibble is a founding financial shareholder of Class and a founding member of the Class Board.

Mr Kibble joined the Class Board in November 2005.



Mr Matthew Quinn – Independent Non-Executive Director

Mr Quinn was the Managing Director of Stockland, an ASX top 50 company, from 2000 to 2013.

He is now a Non-Executive Director of CSR Limited and UrbanGrowth NSW and is Chairman of Carbonxt Group Limited and mPort Pty Ltd.

He was National President of the Property Council of Australia from 2003 to 2005 and a director of the Business Council of Australia in 2012.

Mr Quinn is involved in a number of not-for-profits and is on the boards of the Public Interest Advocacy Centre and the Australian Business and Community Foundation.

He is a Chartered Accountant.

Mr Quinn joined the Class Board in July 2015.



Mr Rajarshi Ray – Non-Executive Director

Mr Ray has a Bachelor of Information Technology and Graduate Diploma in Accounting from the University of Technology Sydney, is a Chartered Accountant and Fellow of the Institute of Chartered Accountants of Australia, and holds a Graduate Diploma from the Financial Services Institute of Australia.

He has over 20 years' experience in the Australian financial and IT sectors, having held IT and finance roles across a number of companies. Most recently, for a decade at American Express, he held senior management roles in Europe, Asia, North America and Australia, including Head of Financial Planning and Funds Management, and Head of Small Business Services, and led several cross-border financial and technology-based infrastructure projects.

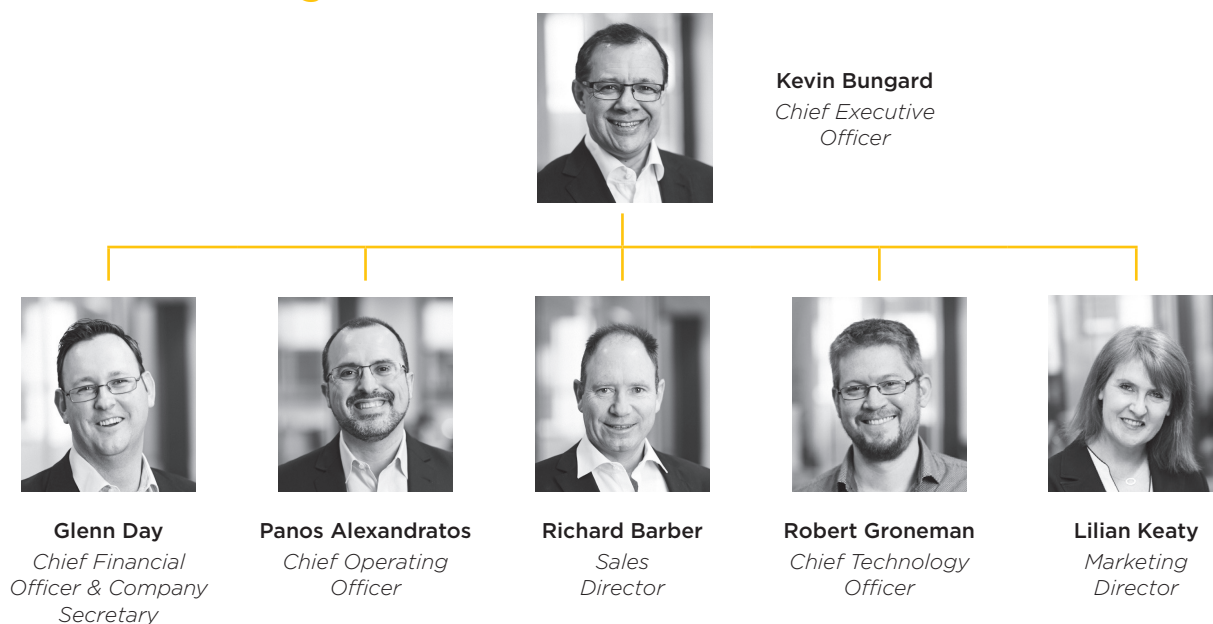
Mr Ray joined the Class Board in 2008.

The composition of the Board committees and a summary of its key corporate governance policies are set out in Section 8.9.

Each Director has confirmed to Class that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director, as the case may be, without constraint from other commitments.

8. Key People, Interests, Benefits and Corporate Governance continued

8.2 Senior management



Mr Kevin Bungard, Chief Executive Officer

Information about Mr Bungard is contained in Section 8.1.

Mr Glenn Day, Chief Financial Officer & Company Secretary

Mr Day joined Class in September 2008. Prior to joining Class, Mr Day was the Head of Finance of an ASX-listed entity and has more than 15 years of experience in the financial services and superannuation industries.

Mr Day is responsible for the financial management of Class, and its corporate affairs and company secretarial matters. Mr Day also has responsibility, with the Chief Executive Officer, for human resources matters for Class.

Mr Day holds a Bachelor of Business, majoring in Accounting and is a member of CPA Australia.

Mr Panos Alexandratos, Chief Operating Officer

Mr Alexandratos is a superannuation industry professional, with over 25 years' local and international experience in management, operational, IT and software development consulting.

He specialises in commercialising products for market and building operational frameworks, developing solutions and bridging the gap between business aspirations and IT capabilities.

Mr Alexandratos pioneered the establishment of a global IT consulting group's successful practices in both Australia and the United States.

He has held trusted adviser roles with a variety of government departments and large institutions in the superannuation industry in both Australia and the United States.

He holds a double major in Actuarial and Computer Science.

Mr Richard Barber, Sales Director

Mr Barber currently manages the Class sales division, driving sales excellence and growth, while providing market feedback and insight at a board level to Class' corporate strategy and development. He was one of the founding Directors of Class.

Mr Barber has over 25 years' experience in the financial services and accounting industries, having worked with market leading brands such as Asteron, St.George/Asgard and MLC/Lend Lease Financial Services. He has also worked at both small and top tier accounting firms. His roles have included leadership and management positions in sales, product development, practice management, financial planning and systems consulting.

He holds a Bachelor of Business (Marketing and Computing). He is an active member of the Self Managed Super Fund Association and an Australian financial services licence Responsible Manager.

Mr Robert Groneman, Chief Technology Officer

Mr Groneman is a technologist with over 15 years' experience building innovative software solutions in the financial services and accounting industries. He currently manages product development at Class, having led the development effort for the last 8 years, and is responsible for taking a strategic product vision and translating it into a successful product.

He holds a Bachelor of Science majoring in Mathematics.

Ms Lilian Keaty, Marketing Director

Ms Keaty has over 20 years' experience as a senior marketing specialist, largely within the tech sector. She has held a number of client-side and marketing agency roles. Employers she has worked for in the UK and Australia include FileNet, Amdahl, Sampson Tyrell, Marketing Options and Friend.

In May 2014, Ms Keaty joined Class as Marketing Director, with overall responsibility for the company's brand, promotions and communications. She studied marketing with the Chartered Institute of Marketing at Merton College in Surrey, UK.

8.3 Interests and benefits

This Section 8 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out in this Section 8 and elsewhere in this Prospectus, no:

- Director or proposed Director of Class;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which such person is a partner or employee; or
- promoter of Class,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of Class;
- property acquired or proposed to be acquired by Class in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of Class or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of Class.

8.4 Directors' interests and remuneration

(a) Non-executive Director remuneration

Under the Constitution, Class may pay or provide to the Non-Executive Directors, fees to an amount determined by the Board which does not, in any financial year, exceed in aggregate the amount last determined by Class in general meeting. This amount was last determined by Class to be \$500,000 (inclusive of superannuation) per annum.

As at the date of this Prospectus, the annual Non-Executive Directors' fees agreed to be paid by Class to the Chairman are \$90,000 and each of the other Non-Executive Directors are \$60,000. All Non-Executive Directors' fees are exclusive of superannuation required by law to be made by Class.

8. Key People, Interests, Benefits and Corporate Governance continued

(b) Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director. These deeds contain rights of access to certain books and records of the Class Group at any time during the period of currency of any claim which is threatened, made or brought against the relevant Director in relation to any act or omission of a Class Group company or the Director while a director of a Class Group company and seven years after the Director ceases to hold office.

The Company has agreed to indemnify, to the extent permitted by law, each Director in respect of all liabilities and loss incurred by or recovered from the Director as a result of or arising out of the Director's directorship in any of the Class Group companies.

Under the deeds, the Company has also agreed, to the extent permitted by law, to maintain in force an insurance policy for each Director against (subject to certain exceptions) all liability and loss incurred by or recovered from the Director as a result of or arising out of the Director's directorship in a Class Group company during the Director's period of office and for the period of seven years after the Director ceases to hold office. If any claim is threatened, made or brought against the Director during this seven year period in relation to any act or omission of the relevant Class Group company or the Director while a director of a Class Group company, then this seven year period is extended until the date that the claim is finally resolved.

(c) Directors' interests in Shares and other securities

Directors are not required under the constitution of the Company to hold any Shares in the Company. As at the date of this Prospectus, the following Directors and their Associates hold relevant interests in the following Shares:

Director	Number of Shares
Mr Barry Lambert	184,148
Mr Kevin Bungard	2,936,572
Ms Kathryn Foster	979,140
Mr Roderick Kibble	22,884,320
Mr Rajarshi Ray	1,630,740

Directors may hold their relevant interests in the Shares shown above directly, or through holdings by companies and trusts. Mr Anthony Fenning and Mr Matthew Quinn do not currently hold any Shares. The following Directors and their Associates have offered to sell the following Shares to SaleCo:

Director	Number of Shares offered to sell
Mr Barry Lambert	36,830
Mr Kevin Bungard	660,000
Ms Kathryn Foster	195,828
Mr Roderick Kibble	3,220,000
Mr Rajarshi Ray	180,000

Directors may apply for Shares under the General Offer. As at the date of this Prospectus, Mr Lambert has indicated an intention to apply for Shares in the General Offer.

As at the date of this Prospectus, 775,860 Options have been granted under the ESOP to the Chief Executive Officer, Kevin Bungard. Details of the ESOP are set out in Sections 8.6 and 9.6(a).

Final Directors' shareholdings after Completion of the Offer will be notified to the ASX following Listing.

8.5 Key management personnel interests and remuneration

(a) Chief Executive Officer

Mr Kevin Bungard is employed by Class in the position of Chief Executive Officer. The key terms of Mr Bungard's employment are summarised below:

Term	Mr Bungard is employed on an ongoing basis, subject to the termination rights referred to below.
Remuneration	<p><i>Base remuneration</i></p> <p>Mr Bungard is entitled to an annual base remuneration of \$302,154 (inclusive of superannuation).</p> <p><i>Bonus program</i></p> <p>Mr Bungard is eligible to participate in the Employee Bonus Program. The annual allocation from the program is determined by Class' Nomination, Remuneration and Human Resources Committee taking into account actual declared profit, and Mr Bungard's performance, period of service and overall contribution to Class. Refer to Section 8.6 for more information about the Employee Bonus Program.</p> <p><i>ESOP</i></p> <p>Mr Bungard is also eligible to participate in the Class Limited Employee Share Option Plan (ESOP). He has been granted 775,860 Options under the ESOP (refer to Section 8.6). See Section 9.6(a) for more information about the terms of the ESOP.</p>
Termination	<p><i>Termination by notice</i></p> <p>Up to 8 October 2016, either Mr Bungard or Class may terminate the employment on 6 months' written notice. After that date, either Mr Bungard or Class may terminate the employment on 3 months' written notice. Class may require Mr Bungard to work for part or all of this notice period and/or pay him an amount in lieu of any unworked portion of the notice period (based on his base remuneration).</p> <p><i>Termination by Class for cause</i></p> <p>Class may immediately terminate Mr Bungard's employment without prior notice in certain circumstances, including if Mr Bungard:</p> <ul style="list-style-type: none"> • commits a serious or persistent breach of his obligations under his employment contract; • engages in any act or omission constituting serious misconduct or otherwise justifying summary dismissal at common law; or • acts in a manner in which, in Class' reasonable opinion, may tend to injure the reputation or interests of the Class Group.
Post-employment restraints	<p>Mr Bungard will be subject to a 12 month restraint on soliciting employees and customers of the Class Group.</p> <p>If Mr Bungard breaches a non-solicitation restraint in respect of a customer, Class may require that Mr Bungard pays Class, as liquidated damages, an amount equal to 50% of the aggregate gross revenue (exclusive of GST) generated by the Class Group from the provision of services and products to that customer in the 12 consecutive months immediately prior to the breach.</p> <p>Class also has the option of paying Mr Bungard, at his base remuneration at the time of termination of his employment, to be restrained from competing with Class for a period of up to 12 months.</p>

Details of Mr Bungard's Shareholding are set out in Section 8.4(c).

As a Director, Mr Bungard has the benefit of a deed of access, indemnity and insurance referred to in Section 8.4(b).

8. Key People, Interests, Benefits and Corporate Governance continued

(b) Chief Financial Officer and Company Secretary

Mr Glenn Day is employed by Class in the position of Chief Financial Officer and Company Secretary.

The key terms of Mr Day's employment are summarised below:

Term	Mr Day is employed on an ongoing basis, subject to the termination rights referred to below.
	<p><i>Base remuneration</i></p> <p>Mr Day is entitled to an annual base remuneration of \$219,407 (inclusive of superannuation).</p> <p><i>Bonus program</i></p> <p>Mr Day is eligible to participate in the Employee Bonus Program. The annual allocation from the program is determined by Class' Nomination, Remuneration and Human Resources Committee taking into account actual declared profit, and Mr Day's performance, period of service and overall contribution to Class. Refer to Section 8.6 for more information about the Employee Bonus Program.</p> <p><i>ESOP</i></p> <p>Mr Day is also eligible to participate in the Class Limited Employee Share Option Plan (ESOP). He has been granted 604,377 Options under the ESOP (refer to Section 8.6). See Section 9.6(a) for more information about the terms of the ESOP.</p>
Termination	<p>Either Mr Day or Class may terminate the employment on 3 months' written notice. Class may require Mr Day to work for part or all of this notice period and/or pay him an amount in lieu of any unworked portion of the notice period (based on his base remuneration).</p> <p>Class may immediately terminate Mr Day's employment without prior notice in certain circumstances, including circumstances which are the same as those that apply to Mr Bungard (and which are summarised in Section 8.5(a), under the heading "Termination by Class for cause").</p>
Post-employment restraints	The post-employment restraints in Mr Day's employment contract are the same as those that apply to Mr Bungard, which are summarised in Section 8.5(a) above.

As at the date of this Prospectus, Mr Day holds 1,407,979 Shares. Mr Day has offered to sell 955,479 Shares to SaleCo.

The Company has also entered into a deed of indemnity and insurance with Mr Day. Under this deed, the Company has agreed to indemnify, to the extent permitted by law, Mr Day in respect of all liabilities and loss incurred by or recovered from Mr Day as a result of or arising out of his office (as that term is defined in the Corporations Act) in any of the Class Group companies.

Under this deed, the Company has also agreed, to the extent permitted by law, to maintain in force an insurance policy for Mr Day against (subject to certain exceptions) all liability and loss incurred by or recovered from Mr Day as a result of or arising out of his office in a Class Group company during his period of office and for the period of seven years after he ceases to hold office. If any claim is threatened, made or brought against Mr Day during this seven year period in relation to any act or omission of the relevant Class Group company or Mr Day while an officer of a Class Group company, then this seven year period is extended until the date that the claim is finally resolved.

8.6 Employee incentive plans

The Company has established the Class Limited Employee Share Option Plan (**ESOP**) and Class Limited Tax Exempt Employee Share Plan (**Tax Exempt ESP**) to assist the Company in retaining and attracting current and future employees by providing them with the opportunity to own Shares in the Company.

As at the date of this Prospectus, a total of 3,712,590 options have been granted under the ESOP (**Options**) to employees of Class. Each Option entitles its holder to acquire one Share, subject to the terms of the ESOP and the grant. The Options that have been granted have been classified as “Series 1 Options” and “Series 2 Options”. The key differences between the Series 1 Options and the Series 2 Options are as follows:

	Series 1 Options	Series 2 Options
Vesting date	1 January 2017	30 September 2018
Exercise period end date	30 September 2017	30 September 2018
Exercise price	\$1.10	\$1.33

The following employees have been granted the following number of Series 1 Options and Series 2 Options:

Employee	Number of Series 1 Options granted	Number of Series 2 Options granted	Total
Kevin Bungard, Chief Executive Officer	495,860	280,000	775,860
Glenn Day, Chief Financial Officer and Company Secretary	484,377	120,000	604,377
Other senior employees	1,643,847 in aggregate	688,506 in aggregate	2,332,353 in aggregate
Total	2,624,084	1,088,506	3,712,590

Under the Employee Offer, up to 43,000 Shares are being offered to Eligible Employees under the Tax Exempt ESP.

For more information about the terms of the ESOP and Tax Exempt ESP, refer to Section 9.6.

Class also has in place an Employee Bonus Program, under which up to 5% of the Class Group's NPBT may be paid, on a discretionary basis, as a cash bonus to eligible employees, based on their annual performance reviews.

8. Key People, Interests, Benefits and Corporate Governance continued

8.7 Interests of advisers

Class has engaged the following professional advisers in relation to the Offer:

- Addisons has acted as Australian legal adviser to Class in relation to the Offer. Class has paid, or agreed to pay approximately \$160,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Addisons in accordance with its normal time-based rates;
- Grant Thornton Corporate Finance Pty Ltd has acted as the Investigating Accountant on, and has performed work in relation to, the Historical Financial Information and has performed work in relation to its Independent Limited Assurance Report in Section 5. Class has paid, or has agreed to pay approximately \$40,000 (excluding disbursements and GST) for these services up until the date of this Prospectus;
- Grant Thornton Australia Limited has acted as tax adviser to Class in relation to the Offer. Class has paid, or agreed to pay, approximately \$15,000 (excluding disbursements and GST) for these services up until the date of this Prospectus; and
- CBA Equities Limited has acted as the broker in connection with the Offer. Class has agreed to pay \$300,000 (excluding disbursements and GST) for these services.

Class will pay these amounts, and other expenses of the Offer, out of funds raised under the Offer or cash otherwise available to Class. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.3.

8.8 Related party transactions

Other than as disclosed in this Prospectus, Class is not party to any material related party arrangements.

8.9 Corporate governance

This Section explains how the Board will oversee the management of Class' business. The Board is responsible for the overall corporate governance of Class. The Board monitors the operational and financial position and performance of Class and oversees its business strategy, including approving the strategic goals of Class and considering and approving its annual business plan and the associated budget. The Board is committed to maximising performance, generating an appropriate level of Shareholder value and financial return and sustaining the growth and success of Class. In conducting Class' business with these objectives, the Board seeks to ensure that Class is properly managed to protect and enhance Shareholder interests and that Class, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and relevant internal controls that it believes appropriate for Class' business and which are designed to promote the responsible management and conduct of Class.

The main policies and practices adopted by Class, which either already exist or which will take effect from Listing, are summarised below. Details of Class' key policies and the charters for the Board and each of its committees will be available from Listing at www.class.com.au.

(a) ASX Corporate Governance Principles and Recommendations

Class is seeking a Listing on ASX. In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released the third edition of the Corporate Governance Principles and Recommendations (**ASX Recommendations**) for Australian listed entities. The ASX Recommendations are not mandatory or prescriptive and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the business. However, under the ASX Listing Rules Class will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations within the reporting period. Where Class does not follow a recommendation for any part of a reporting period, it must identify the recommendation and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

(b) Board appointment and compositions

The Board is currently comprised of 7 Directors.

The size and composition of the Board is determined by the Constitution. The Board will seek to ensure that it is comprised of Directors that will provide the range of skills and experience required to enable the Board to carry out its roles and responsibilities effectively.

A Director will be considered independent by Class if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally. The Board will regularly review the independence of each Director.

Based on the above guidelines, the Board considers each of Mr Fenning, Ms Foster and Mr Quinn to be independent Directors of Class. Mr Ray is not considered to be an independent Director as he has previously been employed in an executive capacity by Class and there has been less than three years since acting in that executive capacity. This three year period will end in December 2016, at which time, the Board will re-consider the independence of Mr Ray. Given this and the range of skills and knowledge that the current Directors bring, the Board considers that its current composition is appropriate for the requirements of Class.

(c) Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- (i) the roles and responsibilities of the Board, including to provide strategic guidance to and effective oversight of management;
- (ii) the role and responsibilities of the Chairperson and Company Secretary;
- (iii) the authority delegated by the Board to Board committees and management;
- (iv) the membership and composition of the Board, including in relation to the independence of Directors and conduct of individual Directors; and
- (v) Board process, including how the Board meets.

8. Key People, Interests, Benefits and Corporate Governance continued

(d) Board committees

The Board may from time to time establish appropriate committees to assist it in carrying out its responsibilities. Standing committees established by the Board are the Audit and Risk Committee (**ARC**) and the Nomination, Remuneration and Human Resources Committee (**NRHRC**). Each committee has a charter which sets out matters relevant to the composition, responsibilities and administration of the committee.

Other committees may be established by the Board as and when required.

Audit and Risk Committee (ARC)

The role of the ARC is to provide an objective, non-executive review of the effectiveness of Class' financial reporting and risk management framework, and to assist the Board in carrying out its accounting, audit, risk management, regulatory compliance and financial reporting responsibilities, including oversight and review in respect of:

- (i) the integrity of Class' external financial reporting and financial statements;
- (ii) the appointment, remuneration, independence and competence of Class' external auditors;
- (iii) the overall policy direction of the audit, compliance and risk management functions;
- (iv) systems to ensure effective management of financial and non-financial risks;
- (v) Class' systems and procedures for compliance with relevant laws, regulations and codes;
- (vi) the internal and external audit processes including review of the annual internal audit plan and monitoring of progress and internal audit reports; and
- (vii) Class' internal control framework.

The ARC Charter provides that the ARC will comprise at least three Directors. No executive Directors may be members of the ARC and it must include at least one independent Director.

The current members of the ARC are:

- Mr Rajarshi Ray (Chairperson);
- Mr Anthony Fenning; and
- Mr Matthew Quinn.

As Mr Ray is not an independent Director, the current composition of the ARC does not comply with the ASX Recommendation that the audit committee is chaired by an independent director. However, the Board believes that the current composition of the ARC is appropriate having regard to the fact that the other two members of the ARC (being Mr Fenning and Mr Quinn) are independent, and the members' accounting and financial expertise and good understanding of the industry in which Class operates. Information about the qualifications and expertise of the Directors on the ARC is set out in Section 8.1. In addition, the Board is of the view that these Directors will be able to bring a focussed and independent judgement needed for the ARC to fulfil its role.

Nomination, Remuneration and Human Resources Committee (NRHRC)

The NRHRC has two roles. Its nomination role is to assist and advise the Board on the following:

- (i) director selection and appointment practices;
- (ii) induction and continuing professional development programs for directors;
- (iii) director performance evaluation processes and criteria;
- (iv) Board composition; and
- (v) succession planning for the Board and the CEO,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interest of Class as a whole.

The NRHRC's remuneration and Human Resources role is to assist and advise the Board to ensure that Class adopts and implements remuneration and other human resources policies for the Group which:

- (i) attract, retain and motivate high calibre executive and directors so as to encourage enhanced performance and as a consequence facilitate in the attraction and retention of high performing employees;
- (ii) are consistent with human resource needs, meet statutory requirements and adhere to the Group's policies and procedures;
- (iii) motivate directors and management to pursue the long-term growth and success of the Group within an appropriate control framework; and
- (iv) demonstrate a clear relationship between key executive performance and remuneration, compensation and benefits.

The NRHRC Charter provides that the NRHRC will comprise at least three Directors and will include the Chairperson of the Board. No executive Directors may be members of the NRHRC.

The current members of the NRHRC are:

- Mr Roderick Kibble (Chairperson);
- Mr Barry Lambert; and
- Ms Kathryn Foster.

As Mr Kibble and Mr Lambert are not independent Directors, the current composition of the NRHRC does not comply with the ASX Recommendations that the remuneration and nomination committee comprise of a majority of independent directors and is chaired by an independent director. However, the Board believes that the non-independent Directors are able to bring objective and unbiased judgement to the NRHRC's deliberations.

(e) Diversity policy

Class has adopted a diversity policy which provides a framework for Class to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contribution of employees with diverse backgrounds, experiences and perspectives.

(f) Continuous disclosure policy

Upon Listing, Class will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, Class will be required to disclose to the ASX any information concerning Class which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

Class is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. The Board has adopted a continuous disclosure policy, to take effect from Listing, which is aimed at providing guidance to all Directors, management and employees in recognising and ensuring compliance with Class' continuous disclosure obligations. The policy also sets out the policies and procedures adopted by the Board for the prompt release of market sensitive information.

(g) Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a code of conduct to be followed by the Board along with all officers, employees, contractors and consultants. The code sets out Class' policies on various matters including conflicts of interest, use of Class' property, confidentiality, bullying, harassment, health and safety. It also sets out the consequences for any breach of the code.

8. Key People, Interests, Benefits and Corporate Governance continued

(h) **Securities trading policy**

Class has adopted a securities trading policy to take effect from Listing for dealing in securities, which is intended to explain the prohibited types of conduct in relation to dealings in securities under the Corporations Act and to establish a best practice procedure in relation to dealings in Shares by Directors, senior executives, employees and their families and associates.

Subject to the overriding restriction that persons may not deal in Shares while they are in possession of inside information, trading in Shares by Directors, senior executives and certain nominated employees will only be permitted during limited trading windows and with the prior written clearance from Class.

(i) **Communications with Shareholders**

Class recognises the importance of effective communication with Shareholders, and acknowledges the different circumstances of Shareholders and their varying expectations and access to technology. Class is committed to ensuring that all Shareholders have equal and timely access to material information concerning Class.

The Board has adopted a Shareholder communication policy, to take effect from Listing, to promote and facilitate effective two-way communication between Class and its Shareholders and to facilitate and encourage effective participation. One of the key communication tools is Class' website (www.class.com.au), which from Listing will contain details of the Constitution, Board and Board committee charters, core governance policies, press releases, ASX announcements and communications to Shareholders, and Class' financial information. All Shareholders will be encouraged to access the website on a regular basis and provide relevant feedback.

9. Additional Information



9. Additional Information

9.1 Corporate history

Class was registered in New South Wales on 21 October 2005 and was converted from a proprietary company into a public company limited by shares on 18 September 2015.

9.2 Company tax status

Class is and will be subject to tax at the Australian corporate tax rate on its taxable income.

9.3 Group structure

The following diagram shows the entities in the corporate structure of the Class Group at the date of Listing:



Class Super Pty Limited is the entity in the Group which enters into agreements with customers to license the use of the Class Super product, and is the holder of an Australian financial services licence.

Class Investment Reporter Pty Ltd is the entity in the Group which enters into agreements with the customers to license the use of the Class Portfolio product.

Super IP Incentive Pty Ltd acts as a trustee to hold certain Shares issued under employee incentive plans on trust for employees.

9.4 Rights and liabilities attaching to Shares

The rights and liabilities attaching to ownership of Shares offered under this Prospectus (being fully paid ordinary shares in the Company) are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules (**Applicable Law**) and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands.

On a poll, every Shareholder (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid Share held and in respect of partly paid Shares held by that Shareholder, entitled to that number of votes equivalent to the proportion which the amount paid up on those partly paid Shares bears to the total issue price of those Shares. Amounts paid in advance of a call and any amount credited as paid to the extent that it exceeds the value of the consideration received for the issue of those Shares are ignored when calculating the proportion. Any fraction of a vote which arises from this calculation is to be disregarded. A Shareholder is not entitled to cast a vote attached to a Share on which a call is due and payable and has not been paid.

(b) Meetings of members

Each Shareholder is entitled to receive written notice of, and except in certain circumstances, to attend and vote at, general meetings of the Company and to receive all notices and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

(c) Dividends

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any shares with special rights to dividends, the Board may from time to time pay any interim and final dividends that, in its judgement, are justified by the financial position of the Company. The Board may rescind a decision to pay a dividend if it decides, before the payment date, that the Company's financial position no longer justifies the payment. Paying a dividend does not require confirmation at a general meeting.

(d) Dividend reinvestment plan

The Board may, on terms that it decides, establish a share investment plan under which dividends, interest, or any other amount payable to Shareholders participating in the plan may be applied to subscribe for or to purchase securities of the Company or a related body corporate.

(e) Transferring Shares

Subject to the Constitution and any restrictions attached to a Share, Shares may be transferred as provided by the ASX Settlement Operating Rules, by a written instrument of transfer in any usual form or a form which is approved by the Board that is otherwise permitted by law, or by any other method permitted by the Applicable Law and is approved by the Board.

If permitted by the Applicable Law and the Board so resolves, the Company may only refuse to register an instrument of transfer of Shares in certain specified circumstances, such as, where the transfer is not in registrable form, the registration of the transfer may breach an Australian law or court order, the transfer does not comply with the terms of an employee incentive scheme, or the Company is otherwise permitted or required to do so pursuant to the terms of issue of the Shares. The Company must refuse to register a transfer of Shares in certain specified circumstances, such as when it is required to do so by the Applicable Law or by a law concerning stamp duty, or where the transfer would be contrary to the terms of a restriction agreement or escrow agreement.

(f) Issue of further shares

Subject to Applicable Law and any rights and restrictions attached to a class of shares, the Company may, by resolution of the Board, issue shares or grant options to acquire shares, at any time and for any consideration, as the Board resolves. The Constitution also permits the issue of preference shares, if the rights of the holders of preference shares are as set out in the Constitution or are approved in accordance with the Applicable Law.

9. Additional Information continued

(g) Winding up

If the Company is wound up, subject to the special terms and conditions attached to any shares, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders in kind all or any of the Company's property; and for that purpose, determine how it will carry out the division between the shareholders or different classes of shareholders.

(h) Sale of non-marketable parcels

Subject to the Applicable Law, the Company may sell the shares of a shareholder if the total number of shares in a particular class held by that shareholder is less than a marketable parcel at the date specified in a written notice given by the Company to that shareholder.

(i) Calls

Subject to the Applicable Law and the terms of issue of a share, the Board may make calls on the registered holders of a share for any amount unpaid on that share which is not by the terms of its issue made payable at fixed times, on any terms and at any times as the Board resolves, including payment by instalments. The Company must give notice of a call at least 10 business days (or any other period of notice required by the ASX Listing Rules or required by any terms of issue of the relevant shares) before the due date for payment, specifying the time and place for payment.

A call is taken to be made at the time of, or the time specified in, the Board resolution authorising the call. Subject to the ASX Listing Rules, a call may be revoked or postponed at the discretion of the Board at any time prior to the date on which payment is due.

(j) Liens

Unless the terms of issue of a share provide otherwise, to the full extent permitted by law, the Company has a first and paramount lien on a share, including a share the purchase of which was funded under loans under an employee incentive scheme, for any unpaid calls and other amounts outstanding in respect of that share. The lien extends to all proceeds, dividends and entitlements in respect of that share.

The Board may, at any time and at its sole discretion, exempt a share wholly or in part from the lien.

(k) Forfeiture

Subject to the Applicable Law, the Company may, by a resolution of the Board and upon prior notice, forfeit any share if the holder of the share does not pay a call or other amount payable in respect of that share on or before the date of its payment.

A person whose shares have been forfeited remains liable to pay the Company all monies (including interest) payable by that person to the Company in respect of the forfeited shares.

(l) Proportional takeover

The Constitution contains provisions that require Shareholder approval to be obtained in relation to any proportional takeover bid. These provisions will cease to apply on the day which is three years after their adoption, unless renewed in accordance with the Corporations Act.

(m) Share buy-backs

The Company may buy-back its share capital in any manner provided by the Applicable Law.

(n) Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class:

- by a special resolution passed at a meeting of the holders of those shares; or
- with the written consent of the holders of at least 75% of the votes that may be cast in respect of shares in that class.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

(o) Conversion or reduction of share capital

Subject to the Corporations Act, the Constitution and the terms of issue of a class of shares, the Company may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting.

The Company may reduce its share capital in any way permissible by the Applicable Law.

(p) Directors – appointment and removal

The number of Directors (not including alternate Directors) of the Company is to be no less than three and not more than seven, unless determined otherwise by an ordinary resolution of the Company's shareholders.

The Company may, from time to time, by resolution remove a Director from office or appoint any additional Directors.

The Board may also appoint a Director, either to fill a casual vacancy or as an addition to the existing Directors. A Director so appointed (excluding the managing director or an alternate Director) will hold office only until the end of the next general meeting, and will be eligible for re-election at that meeting.

Retirement will occur on a rotational basis so that a Director (excluding the managing director or an alternate Director) must retire from office no later than the later of either the third annual general meeting of the Company or three years, following that Director's last election or appointment. If no Director would otherwise be required to retire in the foregoing circumstances but the ASX Listing Rules require that an election of Directors be held at an annual general meeting, the Director to retire is the Director who has held office for the longest period of time since his or her last election.

(q) Directors – voting

A resolution of the Board is passed by a majority of votes of the directors entitled to vote on that resolution. Subject to the Applicable Law, where there is an equality of votes on a resolution at a Board meeting, the chairperson of the meeting will have a casting vote, provided that:

- the chairperson is entitled to vote on the resolution; and
- more than two directors are present and entitled to vote on the resolution.

(r) Directors – remuneration

The Company may pay or provide to the Non-Executive Directors, fees to an amount determined by the Board which does not, in any financial year, exceed in aggregate the amount last determined by the Company in general meeting (or until so determined, \$500,000). Such remuneration must not be calculated as a commission on profits of the Company. The Constitution also makes provision for the payment of additional remuneration or the provision of benefits to Directors who perform extra or special services.

9. Additional Information continued

(s) Indemnity and insurance

The Company must indemnify each Director and secretary against any liabilities and legal costs of that person incurred in the discharge of their duties to the full extent permitted by law. The indemnity is enforceable without the Director or secretary being first required to incur any expense, and is a continuing obligation enforceable even where the Director or secretary has ceased to be an officer of the Company.

The Company may also, to the extent permitted by law, enter into, or pay a premium for a contract insuring a Director or secretary against any liabilities and legal costs of that person incurred in the discharge of their duties.

The Company is also authorised, to the extent permitted by law, to enter into an agreement with a Director or secretary (including a person who has been but is no longer a Director or secretary) of the Company or a subsidiary of the Company, pursuant to which the Company must indemnify that person against any liability and legal costs incurred in the discharge of their duties; keep that person insured on the terms agreed; provide access to Company books; and make a payment to that person in respect of legal costs incurred in the discharge of their duties.

The Company has entered into deeds of access, indemnity and insurances with each Director. The Company has also entered into a deed of indemnity and insurance with the Company Secretary. These are summarised in Sections 8.4(b) and 8.5(b) respectively.

(t) Variation of the Constitution

The Constitution can only be amended by special resolution passed by at least 75% of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

After the Company is listed, it must give at least 28 days written notice of a general meeting of the Company.

9.5 Material contracts

(a) Customer agreements

Class (through its wholly-owned subsidiaries) has entered into licence agreements with its customers under which Class licenses the use of its products to customers in consideration for the payment of licence fees. The majority of these agreements are on a month-to-month basis, or terminable on 90 days' notice. The top 10 customers of Class by number of Billable Portfolios accounted for approximately 24% of the total revenue of the Class Group in FY15.

(b) Data feed agreements

Class has also entered into agreements with various parties (including banks, brokers and wrap providers) under which those parties provide Class with access to certain data via data feeds. This is described further in Section 3.3. Class is required to pay fees for such access. These agreements generally contain rights for the counterparties to terminate the agreement for convenience. In addition, they contain standard default termination rights.

9.6 Employee incentive plans

(a) ESOP

Class has adopted an ESOP which was designed to provide eligible employees, at the invitation of the Board (or a committee of the Board) (**Plan Committee**), with an opportunity to share in the growth in value of the Shares and to encourage them to improve the performance of Class and its return to Shareholders.

The key terms of the ESOP are summarised below:

Eligibility	Options under the ESOP may only be granted to a person who remains an employee of Class or a Subsidiary (or is deemed to be an employee for the purposes of section 83A-35 of the ITAA 1997) as at the date of the grant, unless the Plan Committee determines otherwise (Eligible Participant).
Invitation	The Board will invite such Eligible Participants as it determines to take up Options under the ESOP. No amount will be payable by the Eligible Participant for the grant of the Options.
Option	An Option granted under the ESOP to an Eligible Participant entitles the Eligible Participant to subscribe for a Share on payment of the exercise price and otherwise on the terms and conditions of the ESOP.
Exercise Price	The Board will determine the exercise price (or the basis on which the exercise price is to be determined) for Options granted to an Eligible Participant under the ESOP. This will be set out in the invitation.
Vesting conditions	<p>The Board may specify vesting conditions for any Option granted under the ESOP. In addition, the vesting of any Option held by an Eligible Participant is subject to the Eligible Participant having been an employee (or a deemed employee for the purposes of section 83A-35 of the ITAA 1997) of Class or a Subsidiary at all times between the grant date and the vesting date.</p> <p>The Plan Committee may, at its discretion, waive or vary any vesting conditions in regard to any Option at any time.</p> <p>Subject to the above paragraph and other specified circumstances, if the vesting conditions in relation to an Option are not satisfied before 5pm on the vesting date, the Options will lapse.</p>

9. Additional Information continued

Accelerated vesting

Unless specified otherwise in the invitation or in the option certificate, if an Accelerated Vesting Event occurs while an Eligible Participant is employed with Class or a Subsidiary and before the vesting date, all Options held by the Eligible Participant immediately vest.

An “Accelerated Vesting Event” means the occurrence of a Control Event. A “Control Event” includes:

- the occurrence of a change in Control of Class (“Control” means having the right to vote 50% or more of the votes that can be cast on the election or removal of the Directors; the right to appoint or remove Directors who possess 50% or more of the votes exercisable by all Directors; or the right to 50% or more of the profits or distributions of Class or of its net liquidation proceeds);
 - unless the Plan Committee determines otherwise, a takeover bid by a person is recommended by the Board, or a scheme of arrangement which would have a similar effect to a full takeover bid is announced by Class;
 - any other event which the Plan Committee reasonably considers should be regarded as a “Control Event”.
-

Continued vesting

An unvested Option lapses on the relevant Eligible Participant ceasing to be an employee, unless a Special Circumstance occurs or applies before the vesting date of that Option.

“Special Circumstance” means any of the following in respect of the Eligible Participant:

- total and permanent disablement;
 - death;
 - redundancy;
 - other circumstances determined at the discretion of the Plan Committee.
-

Lapse of vested Options

Unless otherwise specified in the option certificate or determined otherwise by the Plan Committee, an Option which has vested lapses on the earlier of:

- the last exercise date (which will be specified in the invitation, or if not specified, will be 7 years after the date of grant of that Option);
 - a determination of the Plan Committee that the Option should lapse because the Eligible Participant has, amongst other things, been dismissed or removed from office for a reason which entitles Class or a Subsidiary to dismiss the Eligible Participant without notice, or committed an act which brings Class and its Subsidiaries into disrepute;
 - the date determined by the Plan Committee (which will be no more than 12 months) after the date of termination of employment of the Eligible Participant (other than due to the occurrence of a Special Circumstance).
-

Dealings with Options

Other than certain permitted circumstances, an Eligible Participant must not dispose of or grant a security interest or otherwise deal with an Option or an interest in an Option granted under the ESOP.

Permitted circumstances include a transfer following an acceptance of an offer made under an off-market bid relating to Options and a transfer approved by the Board.

Dealings with Shares

Eligible Participants must comply with Class' Securities Trading Policy at all times.

The Plan Committee may, at its discretion, when making an offer of Options to an Eligible Participant, specify that a holding lock will be applied to the Shares issued on exercise of those Options. The holding lock may be applied for a period not exceeding 3 years from the grant date of the Options.

Shares may be released from the holding lock in certain circumstances, such as where:

- the Eligible Participant demonstrates to the satisfaction of the Plan Committee that the Eligible Participant is experiencing severe financial hardship;
- the Eligible Participant's employment terminates (if the termination is for reasons other than a Special Circumstance, only 50% of the Eligible Participant's Shares will be released from the holding lock, with the remaining 50% subject to a holding lock until the earlier of 12 months after the date of termination and expiry of the original holding lock period.); or
- a "Control Event" occurs after the vesting date.

Adjustments and new issues

Subject to the Listing Rules:

- the number of Shares over which an Option is exercisable will be increased if there is a bonus issue of Shares by Class; and
- the exercise price of an Option will be reduced if there is a pro rata issue of Shares (other than a bonus issue) by Class.

Subject to the Listing Rules, an Eligible Participant is only entitled to participate, in respect of an Option granted under the ESOP, in a new issue of Shares to existing Shareholders generally if the Eligible Participant has validly exercised their Options and is registered as the holder of the Shares by the relevant record date.

Administration of ESOP

The ESOP is administered by the Plan Committee, which has the power to (amongst other things):

- determine appropriate procedures and make regulations for the administration of the ESOP which are consistent with the ESOP rules;
- resolve conclusively all questions of fact or interpretation arising in connection with the ESOP; and
- terminate or suspend the operation of the ESOP at any time, provided that it does not adversely affect or prejudice the rights of Eligible Participants holding Options at that time.

Amendment to ESOP rules

Subject to the Listing Rules, Class may at any time amend all or any of the provisions of the ESOP rules, provided that the amendment does not reduce the accrued rights of any Eligible Participant in respect of Options or Shares issued under the ESOP prior to the date of the amendment, other than in certain circumstances, such as:

- an amendment introduced primarily to enable Class to comply with the Corporations Act, the Listing Rules or any other legal requirement; or
- with the consent of Eligible Participants holding not less than 75% of the total number of Options or Shares held by all Eligible Participants.

9. Additional Information continued

(b) Tax Exempt ESP

Class has also adopted the Tax Exempt ESP to enable it to issue Shares to qualifying employees so as to permit the application of section 83A-35 of the ITAA 1997.

The key terms of the Tax Exempt ESP are summarised below:

Eligibility	<p>Subject to the following paragraph and the Corporations Act, the Board may identify qualifying employees to whom invitations to participate in the Tax Exempt ESP may be made to acquire Shares under the Tax Exempt ESP (Participants).</p> <p>The Tax Exempt ESP will be operated so that Shares acquired by Participants under it satisfy the exemption conditions set out in section 83A-35 of the ITAA 1997 (Exemption Conditions).</p> <p>The Tax Exempt ESP will also be operated on a non-discriminatory basis with the meaning of that expression in section 83A-35(6) of the ITAA 1997.</p>
Acquisition price	<p>The Board will determine the acquisition price (if any) of Shares to be paid by Participants under the Tax Exempt ESP.</p>
Dealings with Shares	<p>A holding lock will be applied to each tranche of Shares held by a Participant under the Tax Exempt ESP for the duration of a Holding Lock Period.</p> <p>The "Holding Lock Period" is the period from the acquisition date of the relevant Shares until the earlier of:</p> <ul style="list-style-type: none"> • 3 years after the acquisition date or such date as may be determined by the Board in its discretion so as to satisfy the Exemption Conditions; and • the day after the date on which the Participant ceases to be an employee of the Class Group. <p>During the Holding Lock Period, the relevant Shares may not be transferred and the Participant must not grant (or purport to grant) any security interest in or over or otherwise dispose of or deal with (or purport to dispose or deal with) those Shares or any interest in those Shares.</p>
Rights attaching to Shares	<p>Shares issued under the Tax Exempt ESP will rank equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus issues and dividends (irrespective of whether a holding lock applies).</p> <p>A Participant may exercise any voting rights attaching to Shares issued under the Tax Exempt ESP, irrespective of whether a holding lock applies.</p>
Trust	<p>The Board may determine that Shares to be acquired under the Tax Exempt ESP be held in the name of a trustee on trust for the benefit of Participants.</p>
Administration of Tax Exempt ESP	<p>The Tax Exempt ESP will be administered by the Board (or a committee of the Board), which has the power to (amongst other things) make clauses and regulations for the operation of the Tax Exempt ESP which are consistent with the Tax Exempt ESP rules.</p> <p>Every exercise of discretion by the Board (or relevant Board committee or delegate) and every decision of any of them as to the interpretation, effect or application of the Tax Exempt ESP rules is final, conclusive and binding.</p>

Amendment to Tax Exempt ESP rules	Class may at any time amend all or any of the provisions of the Tax Exempt ESP rules, provided that the amendment does not reduce the rights of any Participant in respect of the Shares acquired under the Tax Exempt ESP prior to the date of the amendment, other than in certain circumstances, such as an amendment introduced primarily to enable Class to comply with the Corporations Act, the Listing Rules or any other applicable laws, or requirement, policy or practice of ASIC or other regulatory body.
Termination or suspension of Tax Exempt ESP	<p>The Board may resolve at any time to terminate, suspend or reinstate the operation of the Tax Exempt ESP.</p> <p>If the Tax Exempt ESP is suspended or terminated, Class will buy-back the Shares then held by the Participants, unless Class is not in a position to do so, in which case, the Board will decide how Shares then held by or on behalf of Participants under the Tax Exempt ESP will be dealt with.</p>

(c) Employee Bonus Program

Class also has in place an Employee Bonus Program, under which up to 5% of the Class Group's NPBT may be paid, on a discretionary basis, as a cash bonus to eligible employees, based on their annual performance reviews.

9.7 Legal proceedings

So far as the Directors are aware, other than as described elsewhere in this Prospectus, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Class is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Class.

9.8 Ownership restrictions

The sale and purchase of Shares in Australia is regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in contribution with others). This Section 9.8 contains a general description of these laws.

(a) Foreign Acquisitions and Takeovers Act 1975 (Cth) and Australian Government Foreign Investment Policy

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to acquisitions of shares and voting power in a company of 15% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**).

Where an acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government's Foreign Investment Policy (**Policy**) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

9. Additional Information continued

In addition, in accordance with the Policy, acquisitions of a direct investment in an Australia company by foreign governments and their related entities should be notified to the Foreign Investment Review Board for approval, irrespective of value. According to the Policy, a “direct investment” will typically include any investment of 10% or more of the shares (or other securities or equivalent economic interest or voting power) in an Australia company but may also include an investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target investment.

(b) Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer’s (or another party’s) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in Class either themselves or through an associate.

9.9 ASX and ASIC waivers

(a) ASIC

Class has sought and received from ASIC an exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit Class and SaleCo to provide Existing Shareholders with certain information relating to the Offer prior to lodgement of this Prospectus with ASIC.

Class has also sought and received from ASIC an exemption from the prohibition on making an unsolicited offer in section 1019F(1)(a) of the Corporations Act to allow SaleCo to invite Existing Shareholders to sell their Shares to SaleCo in order for SaleCo to offer those Shares to prospective Applicants under this Prospectus, subject to certain conditions.

(b) ASX

Class has applied to the ASX for confirmation that ASX will not classify any Shares as restricted securities, if Class satisfies the profit test in Listing Rule 1.2.

9.10 Taxation considerations

Below is a general summary of the Australian tax treatment for Shareholders who acquire Shares in the Company to hold on capital account. This summary does not apply to Shareholders who hold their Shares on revenue account, such as taxpayers that carry on a share trading business.

The following tax comments are general in nature only and are not intended to be a complete analysis of how applicable tax laws may apply to a particular taxpayer’s circumstances. As such, we recommend individual investors seek their own independent taxation advice to ensure their specific tax circumstances are appropriately considered and applied.

Taxation of dividends

Dividends paid by the Company will be capable of being franked to the extent that the Company has paid sufficient Australian tax to attach franking credits to the dividends.

Shareholders who are Australian residents

Broadly, for Shareholders who are individuals, complying superannuation funds and corporate entities and are Australian tax residents, any dividend amount received, together with any attached franking credit, should be included as assessable income in the income year the dividend is paid. Subject to the holding period rule (discussed below), these Shareholders are generally entitled to offset the franking credit attached to the dividend received, against the tax payable on their taxable income. Where this tax offset exceeds the resident Shareholder’s own income tax liability, individual and complying superannuation fund Shareholders should generally be entitled to a refund of the excess franking credit. For corporate Shareholders, excess franking credits cannot generate a tax refund but may be able to be converted into carry-forward income tax losses.

Resident corporate Shareholders are also generally entitled to credit their franking account to the extent of the franking credit on the dividend received.

Where the Shareholder is an Australian tax resident trust or partnership, the dividend and franking credit should be included when determining the net income of the trust or partnership. A beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit attached to the net income distributed by the trust or partnership.

Holding period rule

To qualify for franking benefits, such as the franking credits, the resident Shareholder must broadly have held the Shares "at risk" for more than 45 days, referred to as the 'holding period rule.' This rule is subject to certain exceptions depending on the Shareholder's entity type.

Shareholders who are not Australian residents

The unfranked portion of dividends paid to non-resident Shareholders will generally be subject to the Australian dividend withholding tax of 30%. The rate of withholding tax may be reduced where a taxpayer is a resident of a country which has a double taxation agreement with Australia.

Capital Gains Tax (CGT) on disposal of Shares

Shareholders who are Australian residents

For Australian tax resident Shareholders, the disposal of Shares in the Company will be a CGT event. A Shareholder will make a capital gain where the proceeds it receives upon the sale of the Shares is greater than the cost base of the Shares, or a capital loss where the capital proceeds are less than the cost base of the Shares. The capital proceeds received on sale of the Shares should broadly be equal to the money received in respect of the disposal. The Share's cost base is generally the amount paid to acquire the Share plus any transaction/incidental costs. The net capital gain is included in the assessable income of the Shareholder.

Where the Shareholder is an individual, trust or complying superannuation fund, a CGT discount may be available to reduce the assessable capital gain arising on disposal of the Share. This discount is only available if the Shares are owned by the Shareholder for at least 12 months prior to disposal. The CGT discount applicable for individuals is 50% and 33 1/3% for complying superannuation funds. Any current year or carry forward capital losses should offset the capital gain first, before the CGT discount can be applied. The CGT discount is not available to Shareholders that are companies.

Where the Shareholder is a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Shareholders in these circumstances should seek independent advice regarding the tax consequences of distributions to beneficiaries who may qualify for discount capital gains.

To the extent a capital loss arises on the disposal of the Shares, Shareholders may offset such a capital loss against any capital gains they derive in the same income year or in future income years. Shareholders cannot offset their net capital losses against their ordinary income. In addition, rules relating to the recoupment of carried forward losses must first be satisfied if the Shareholder is a company or a trust.

Shareholders who are not Australian residents

As the Company does not have significant interests in real property non-resident Shareholders may be exempt from CGT on the disposal of the Shares. Non-resident trusts, other than fixed trusts, will not be entitled to the exemption from CGT on disposal of the Shares.

Goods & Services Tax (GST)

The acquisition, redemption or disposal of Shares should not be subject to GST.

Where an Australian resident is registered for Australian GST, it should not generally be entitled to claim full input tax credits in respect of the GST incurred on their expenses relating to the acquisition or disposal of the Shares, for example, lawyers' and accountants' fees.

9. Additional Information continued

Stamp duty

No stamp duty should be payable by a Shareholder as a consequence of acquiring any Shares pursuant to the Offer.

TFN or ABN withholding

Tax File Number (TFN) or Australian Business Number (ABN) withholding may be deducted from dividends at the rate of 49% if a TFN or ABN is not quoted by a Shareholder.

9.11 Disciplinary action/insolvencies

None of the Directors, CEO or direct reports to the CEO has been subject to any criminal convictions, declarations under section 1317E of the Corporations Act or personal bankruptcies, disqualifications or disciplinary actions, nor have any of them been an officer of a company that has entered into a form of external administration during the time the person was an officer or within a 12 month period afterwards.

9.12 Consents and liability statements

- Addisons has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Australian legal adviser to Class in relation to the Offer in the form and context in which it has been named.
- Grant Thornton Corporate Finance Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as the Investigating Accountant in the form and context in which it has been named and to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included. Grant Thornton Corporate Finance Pty Ltd has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus (other than as contained in the Independent Limited Assurance Report in Section 5).
- Grant Thornton Australia Limited has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as tax adviser to Class in relation to the Offer in the form and context in which it has been named.
- Grant Thornton Audit Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as auditor of Class in relation to the Offer in the form and context in which it has been named.
- CBA Equities Limited has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as broker in relation to the Offer in the form and context in which it has been named.
- Link Market Services Limited has given and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Class.

Note: Three bullets have been deleted here.

- Andrew Bloore, former CEO of Smartsuper has given, and at the time of lodgement of this Prospectus has not withdrawn, his consent to the inclusion of the statements in Section 3.1 in relation to Smartsuper in the form and context in which they have been included.

Each person referred to in this Section 9.12 above has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and statement or report included in this Prospectus with its consent as specified above.

References are made in this Prospectus to entities that have certain dealings with Class, including counterparties to contractual arrangements referred to in this Prospectus. These parties have been referred to for information purposes only. Those entities did not authorise or cause the issue of this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

9.13 Expenses of the Offer

The total expenses of the Offer payable by Class are estimated at approximately \$935,000. These expenses include the following:

	(Approximately)
Legal fees	\$160,000
Accounting fees	\$40,000
Taxation advisory fees	\$15,000
Broker fees	\$300,000
Stamp duty on acquisition and sale of Shares by SaleCo	\$180,000
Prospectus preparation and printing, and share registry	\$66,000
ASX Listing fees	\$143,000
Other	\$31,000

9.14 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

9.15 Director's statement

Each Director and each SaleCo Director has given and has not, at the date of this Prospectus, withdrawn his or her consent to the lodgement of this Prospectus with ASIC.

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10. Glossary



10. Glossary

Term	Meaning
AAS	Australian Accounting Standards and other authoritative pronouncements issued by the AASB and Urgent Issues Group interpretations
AASB	Australian Accounting Standards Board, which is an Australian government agency under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth)
AGAAP	Australian Generally Accepted Accounting Principles
AEDT	Australian Eastern Daylight Time
API	Application Programming Interface
Applicant	A person who submits an Application Form (paper or electronic) to subscribe for Shares under the Offer, pursuant to this Prospectus
Application	A valid application made by an Applicant to subscribe for Shares pursuant to the Offer
Application Form	The application form attached to or accompanying this Prospectus to apply for Shares under the Offer (including the electronic form provided by an online application facility)
Application Monies	Monies received from an Applicant in respect of their Application
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
Associate	Has the meaning given in the Corporations Act
ASX	ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market it operates
ASX Listing Rules or Listing Rules	The official listing rules of ASX
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	The operating rules of ASX Settlement
ATO	Australian Taxation Office
AUD, A\$ or \$	Australian dollars
Australian Financial Services Licence	Has the meaning given in the Corporations Act

Term	Meaning
Billable Portfolio	An SMSF or other type of investment portfolio administered using Class' products. Class bills customers for software licence and partner-related fees on a per portfolio basis
Board	The board of Directors of Class
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGT	Capital gains tax
Chairman	The Chairman of the Board
CHESS	Clearing House Electronic Sub-register System, an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form
Class or Company	Class Limited (ACN 116 802 058), or depending on the context, the business carried on by the Class Group
Class Group or Group	Class and its wholly-owned Subsidiaries
Class Portfolio	The Class product known as "Class Portfolio" as described in Section 3.2
Class Super	The Class product known as "Class Super" as described in Section 3.2
Closing Date	The last closing date of the Offer, being 4 December 2015, as may be varied by Class
Completion or Completion of the Offer	Completion of the Offer, being the date on which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer
Constitution	The constitution of Class
Corporations Act	Corporations Act 2001 (Cth)
CTC	Contribution to Class
CTC Offer	Contribution to Class offer being the component of the Offer described in Section 7.7
Director	A Director of Class
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation
EBITDA	Earnings before interest, tax, depreciation and amortisation

10. Glossary continued

Term	Meaning
Eligible Customer	A person who is a customer of Class Group (being the party to the licence agreement with Class Group) as at 31 August 2015 and is a resident of Australia
Eligible Employee	A permanent full-time or part-time employee of Class who has been employed by Class for at least six months as at 30 September 2015 (provided that they remain so employed at Thursday, 10 December 2015) and who is a resident of Australia. Eligible Employees exclude senior management who have received Options under the ESOP
Eligible Nominee	A person nominated by an Eligible Customer to apply for Shares under the CTC Offer using that Eligible Customer's Priority Number and who is a resident of Australia
Employee Offer	The component of the Offer described in Section 7.8
ESOP	The Class Limited Employee Share Option Plan, which is described in Section 9.6(a)
Existing Share	A Share on issue immediately prior to Completion
Existing Shareholder	A person holding an Existing Share immediately prior to Completion
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum of seven days from the date of the Original Prospectus, during which an Application must not be accepted. ASIC may extend this period to no more than 14 days after the date of the Original Prospectus.
FTE	Full-time equivalent
FY	Financial year ended 30 June of any year (eg. FY15 means the financial year ended 30 June 2015)
General Offer	The component of the Offer described in Section 7.9
Group	See Class Group
GST	Goods and services tax or similar tax imposed in Australia
HIN	Holder Identification Number
Historical Financial Information	Has the meaning given in Section 4.1
IFRS	International Financial Reporting Standards
Independent Limited Assurance Report	The Independent Limited Assurance Report set out in Section 5

Term	Meaning
ITAA 1997	<i>Income Tax Assessment Act 1997 (Cth)</i>
Listing	The admission of the Company to the Official List of ASX and quotation of the Shares on ASX
Maximum Subscription	The maximum level of subscription that will be accepted under the Offer, being \$29,860,876 in Application Monies (or 29,860,876 Shares)
Minimum Subscription	The minimum level of subscription under the Offer, being \$5,000,000 in Application Monies (or 5,000,000 Shares)
New Share	A new Share to be issued by Class under the Offer
NPAT	Net profit after tax
NPBT	Net profit before tax
Offer	The invitation to eligible investors to apply for New Shares to be issued by Class and Existing Shares to be transferred by SaleCo, made pursuant to this Prospectus
Offer Price	The price at which Shares under the Offer will be issued, being \$1.00 per Share
Offer Period	The period from the Opening Date to the Closing Date
Official List	The official list of entities that ASX has admitted and not removed
Opening Date	The opening date of the Offer, which is expected to be 22 October 2015
Option	An option granted under the ESOP
Original Prospectus	The Prospectus dated 15 October 2015 and lodged with ASIC on that date, and which this Prospectus replaces
Priority Number	In relation to an Eligible Customer, the unique priority number sent to that Eligible Customer by Class in relation to the CTC Offer
Prospectus	This Prospectus, both in print and electronic form, and any supplementary or replacement Prospectus in relation to this document lodged with ASIC
Recovery Point Objective (RPO)	The Recovery Point Objective (RPO) is the age of files that must be recovered from backup storage for normal operations to resume if a computer, system, or network goes down as a result of a hardware, program, or communications failure
R&D	Research and development
Review Period	The period commencing 1 July 2012 and ending 30 June 2015, incorporating FY13, FY14 and FY15.

10. Glossary continued

Term	Meaning
Sale Share	An Existing Share that SaleCo agrees to purchase from an Existing Shareholder and which SaleCo will transfer to a successful Applicant under the Offer
SaleCo	Class SaleCo Limited (ACN 607 643 292)
SaleCo Director	A director of SaleCo
Section	A section of this Prospectus
Selling Shareholder	An Existing Shareholder from whom SaleCo agrees to purchase Existing Shares
Share	A fully paid ordinary share in Class
Share Registry	Link Market Services Limited (ABN 54 083 214 537)
Shareholder	A registered holder of one or more Shares
SMSF	Self Managed Super Fund
SRN	Security Reference Number
Statutory Historical and Pro Forma Historical Statement of Financial Positions	Has the meaning given in Section 4.1
Statutory Historical Statement of Comprehensive Income	Has the meaning given in Section 4.1
Statutory Statement of Cash Flows	Has the meaning given in Section 4.1
Subsidiary	Has the meaning given in section 46 of the Corporations Act
Super	superannuation
Tax Exempt ESP	The Class Limited Tax Exempt Employee Share Plan, which is described in Section 9.6(b)
TFN	Tax file number
US or United States	United States of America
US Securities Act	US Securities Act of 1933, as amended

11. Corporate Directory



11. Corporate Directory

Registered office

Class Limited
Level 3
228 Pitt Street
Sydney NSW 2000

Website

www.class.com.au

Offer Information Line

1800 009 918 (within Australia toll free)
+61 1800 009 918 (from outside Australia)
Between 8:30am and 5:30pm (AEDT), Monday to Friday during the Offer Period

Auditor

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

Australian Legal Adviser

Addisons
Level 12
60 Carrington Street
Sydney NSW 2000

Broker

CBA Equities Limited
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Tax Adviser

Grant Thornton Australia Limited
Level 17
383 Kent Street
Sydney NSW 2000

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www.class.com.au

