



NOTICE OF GENERAL MEETING

of

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

Convened by the Directors to consider a proposal to sell a part of the business
and

Convened by a shareholder pursuant to section 249D of the Corporations Act to
consider a number of resolutions including to replace the Board

to be held on

Monday, 13 May 2019 at 10:00am (Sydney time)

at

Addisons

Level 12, 60 Carrington Street

Sydney NSW 2000

YOUR DIRECTORS UNANIMOUSLY RECOMMEND
THAT SHAREHOLDERS

VOTE FOR RESOLUTIONS 1 & 2

AND

VOTE AGAINST RESOLUTIONS 3 to 13

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4 April 2019

Dear Shareholders

Sale of the Dots Business

As announced on 29 March 2019, DataDot Technology Limited ACN 091 908 726 (**Company or DDT**) has entered into a share sale agreement with DataDot Investments Australia Pty Ltd (**Buyer**) (**Sale Agreement**), pursuant to which the Company has agreed to sell its DataDotDNA Theft Deterrent System (**Dots Business**) to the Buyer.

The Company is seeking the approval of the Company's Shareholders to complete the transactions contemplated by the Sale Agreement (**Transaction**).

At its heart, the Transaction delivers a change in the Company's future direction. If the Transaction is approved by Shareholders and then proceeds to completion, the Company will no longer own the Dots Business.

Instead it will be fully focused on growing the Trace Business, which will have access to growth capital (from the proceeds of the Transaction).

The Directors have negotiated and are recommending the Transaction because they believe that, in the long term, the potential of the Trace Business with access to growth capital is significantly more attractive than the Company having capital tied up in the Dots Business.

If Shareholders do not approve the Transaction, the Directors believe that the Company will face a very uncertain future, faced with a materially undercapitalised business, which will be unable to effectively grow and develop either of its core assets.

Please refer to the Explanatory Memorandum for a more detailed description of the Transaction and its rationale.

In the absence of a superior offer, the Directors believe the Transaction to sell the Dots Business is in the best interests of Shareholders and unanimously recommend you approve the Transaction by voting in favour of Resolutions 1 and 2.

Resolutions proposed by a Shareholder under s249D of the *Corporations Act*

As announced on 19 March 2019, on 18 March 2019 the Company received a request from a shareholder (Requisitioner) for Directors to call a General Meeting to consider a number of resolutions, that would:

- replace two of the Company's current Directors,
- amend the constitution, and
- direct the new Board to reassess the strategic direction of the Company and to restructure its senior management.

The Company received a second request from Requisitioner on 2 April to include two additional resolutions concerning the issue of shares to Company executives as a long term incentive.

Each Resolution proposed is set out in the Notice of Meeting.

The Requisitioner has provided a statement in support of these resolutions. A copy is attached in Annexure B to the Notice of Meeting (**249 Statement**).

To minimise expense, the Directors have decided to deal with these resolutions at the same meeting as the proposed sale of the Dots Business.

The Directors have reviewed the 249 Statement, but cannot take any responsibility for its content or accuracy, or whether it properly informs shareholders about the Resolutions proposed by the Requisitioner. The Directors further note that it does not contain any statements of fact about future revenues, cost savings or funding sources. It would appear that shareholders are being asked to support the proposed resolutions as this will “allow it (DDT) to ascend the value chain and enter a wide variety of “added value” retail markets”.

The Directors do not believe that Resolutions 3 to 13 are in the best interests of Shareholders and unanimously recommend that you vote against them.

The Board has not assessed resolutions 3 – 13 to determine if they are valid resolutions, or could reasonably be implemented as proposed, if passed – we have simply included them as proposed by the Requisitioner.

Next steps

As mentioned above, your Directors recommend you **VOTE FOR Resolutions 1 and 2** (these Resolutions relate to the sale of the Dots Business) **AND VOTE AGAINST Resolutions 3 to 13** (these Resolutions are proposed by the Requisitioner and relate to the Property Vault Plan).

I strongly encourage you to read this document in its entirety, form your own view on these matters, and exercise your right to vote at the General Meeting.

Accordingly, it is my pleasure to invite you to the General Meeting of DataDot Technology Limited, to be held at 10.00am on Monday, 13 May 2019 at Addisons, Level 12, 60 Carrington Street, Sydney NSW 2000.

If you are unable to attend the General Meeting in person, please complete and return the proxy form so that it is received by the deadline specified on the form.

Yours sincerely



Gary Flowers

Chairman

DATADOT TECHNOLOGY LIMITED
ACN 091 908 726

Notice of Meeting

Notice is given that a General Meeting of members of DataDot Technology Limited (**DDT or Company**) is to be held at:

Venue: Addisons
Level 12
60 Carrington Street
Sydney NSW 2000

Date: Monday, 13 May 2019

Time: 10.00am (Sydney time)

1.1 Purpose of the Meeting

This meeting has been called by the Directors:

- (a) to enable the Shareholders to consider and, if deemed appropriate, approve the disposal of the Company's Dots Business and a related change in the Company's name, respectively Resolutions 1 and 2 in section 1.4 (Business of the Meeting); and
- (b) following the Company's receipt on 18 March 2019, of a request by a shareholder of the Company (the **Requisitioner**) pursuant to section 249D of the Corporations Act (supplemented on 2 April), for the purposes of considering, and, if thought fit, passing Resolutions 3 to 13 in section 1.4 (Business of the Meeting).

1.2 Explanatory Memorandum for Resolutions 1 and 2: Disposal of the Dots Business

The Explanatory Memorandum attached to this Notice of Meeting as Annexure A sets out the reasons for, and other information relevant to, the sale of the Dots Business and the change in the Company's name. The Explanatory Memorandum relates to Resolutions 1 and 2.

1.3 Requisitioner's Statement – section 249P

The Requisitioner has requested, pursuant to section 249P of the Corporations Act, that the statement attached to this Notice of Meeting as Annexure B be provided to the Shareholders.

The Company is legally required to circulate this statement to its members, however, the Directors and the Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained within it, including any statements which are inaccurate or misleading by omission.

1.4 Business of the Meeting

Resolution 1: Divestment of Main Undertaking

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

“That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Dots Business, being the main undertaking of the Company, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and*
- (b) an associate of that person (or those persons).*

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 2: Change of Name

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

“That, subject to and conditional upon Resolution 1 being passed, for the purposes of section 157(1) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to “DataTraceID Limited”.”

Resolutions 3 to 13 below are put to the Meeting at the request of the Requisitioner pursuant to section 249D of the Corporations Act. They are NOT put to the meeting by the Board.

Resolution 3:

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

“That Mr Stephe Wilks be and is hereby removed as a director of the Company.”

Resolution 4:

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

“That Mr Bradley Charles Kellas be and is hereby appointed a director of the Company.”

Resolution 5:

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

“That Mr Temogen Hield be and is hereby removed as a director of the Company.”

Resolution 6:

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

“That Mr Chris McCann be and is hereby appointed a director of the Company, effective from the close of the Meeting.”

Resolution 7:

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

“That Mr Roderick Keuris be and is hereby appointed a director of the Company, effective from the close of the Meeting.”

Resolution 8:

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

“That the replacement board of directors immediately review, assess and restructure the senior management of the company.”

Resolution 9:

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

“That the constitution of the company be amended to preclude the Chief Executive Officer of the Company from holding the office of director of the Company.”

Resolution 10:

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

“That the replacement board of directors immediately undertake a review of the strategic direction of the Company and its business lines.”

Resolution 11:

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

“That the constitution of the company be amended in the manner detailed in the explanatory statement accompanying the notice of meeting, such that shares issued under the Company’s Employee Share Issue and Loan Scheme will have no voting rights until those shares are fully paid for by the beneficiary.”

Resolution 12:

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

“That a review be conducted of the change to the Senior Executive Long Term Incentive Scheme in August 2017 which resulted in the implementation of the Employee Share and Loan Scheme, and the issue of voting shares in the Company to certain KMPs with the purchase price funded by limited recourse loans from the Company, in particular to review the appropriateness, validity and/or legality of the decision to change and implement the referred to as the Executive Share Loan and the subsequent issue of shares thereunder.”

Resolution 13:

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

“That the constitution and any other necessary policies of the Company be amended to prevent the issue of voting shares with full entitlement to any dividends to be issued under the Employee Share and Loan Scheme prior to those shares being fully paid and any associated loans fully repaid“.

1.5 Voting by proxy

Any Shareholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. A proxy form is provided with this Notice of Meeting.

The proxy does not need to be a Shareholder. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder’s votes. Proxies must be:

- (a) lodged at the Company’s share registry, Boardroom Pty Limited; or
- (b) faxed at the fax number specified below,

so that they are received by **no later than 10.00 a.m. (Sydney time) on Saturday 11 May 2019.**

Boardroom Pty Limited (hand deliveries – during normal business hours)

Boardroom Pty Limited
Level 12
225 George St
Sydney NSW 2000

Boardroom Pty Limited (postal deliveries) - Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Fax number for lodgement 02 9290 9655

Online www.votingonline.com.au/DDTegm2019

1.6 Undirected proxies

The chair intends to vote undirected proxies in favour of Resolutions 1 and 2 and against Resolutions 3 – 13.

1.7 Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the Meeting all shares will be taken to be held by the persons who held them as registered shareholders at 7.00 p.m. (Sydney time) on **Sunday, 12 May 2019**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Patrick Raper
DataDot Technology Limited
Company Secretary
4 April 2019

Annexure A
Explanatory Memorandum
Resolutions 1 and 2 (Sale of the Dots Business)

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass Resolutions 1 and 2.

ASX does not take any responsibility for the contents of this Notice.

1. Resolution 1 – Divestment of Main Undertaking

1.1 Background

The Company carries on the business of manufacturing and distributing technology solutions focussed on asset identification, management, protection and authentication.

The Company's business currently comprises two business units, being the manufacture and distribution of:

- (a) the DataDotDNA Theft Deterrent System (**Dots Business**); and
- (b) key technology solutions identifying counterfeit products (including the DataTraceID solution) in a range of industries (**Trace Business**).

As announced on 29 March 2019, the Company proposes to sell the Dots Business. The sale of the Dots Business requires Shareholder approval under ASX Listing Rule 11.2, which provides that, where a company proposes to dispose of its main undertaking, it must first obtain the approval of its shareholders.

If Shareholders do not approve the sale of the Dots Business in accordance with ASX Listing Rule 11.2, the sale of the Dots Business will not proceed to completion and the Company will retain the Dots Business.

1.2 Dots Business

The Company's subsidiaries which conduct the Dots Business are:

- (a) DataDot Technology (Australia) Pty Limited ACN 083 063 343, a company duly incorporated under the laws of New South Wales, Australia;
- (b) DataDot Technology (UK) Limited (Registered No. 04269989), a company duly incorporated under the laws of England and Wales; and
- (c) DataDot Technology USA, Inc., a company duly incorporated under the laws of Washington, USA,

(together, the **Target Companies**).

1.3 Sale of the Dots Business

On 29 March 2019, the Company entered into a share sale agreement with DataDot Investments Australia Pty Ltd, a company duly incorporated under the laws of Western Australia (**Buyer**) (**Sale Agreement**), pursuant to which the Company has

agreed to sell the Dots Business via a sale of the total issued share capital of the Target Companies and intellectual property associated with the Dots Business to the Buyer (**Transaction**), subject to the terms and conditions of the Sale Agreement.

The shareholders of the Buyer are also shareholders of DataDot Technology (South Africa) (Proprietary) Limited, a company duly incorporated under the laws of South Africa (**Guarantor**). The Guarantor has agreed to guarantee the obligations of the Buyer under the Sale Agreement.

The Guarantor is currently the distributor of the Dots Business products in Africa, Madagascar, Mauritius and the Russian Federation.

The Company shares no common directors or shareholders with the Buyer or the Guarantor. Neither the Buyer nor the Guarantor is a related party of the Company.

The Company has agreed to sell the Dots Business to the Buyer on a cash and debt free basis for:

- (a) \$3.1 million (comprised of \$3 million on completion and \$100,000 already paid as a deposit); and
- (b) \$250,000, payable if the Buyer crystallises a new business opportunity available to the Buyer by entering into a contract with a specified third party.

The purchase price is subject to a working capital adjustment, which the Company anticipates will result in the Buyer paying an amount to the Company, which could be in the range of \$400,000 to \$700,000. The process for determining the working capital adjustment is anticipated to take approximately two months after completion of the Sale Agreement.

Completion of the Sale Agreement is subject to the satisfaction or waiver of certain conditions precedent, including the Shareholders having passed Resolution 1 (which cannot be waived) and the assignment of the Sydney office lease, and is also subject to a customary material adverse change clause.

A break-fee of \$100,000 is payable by the Company to the Buyer, and the Company will be obliged to return to the Buyer the \$100,000 deposit, if the Transaction does not proceed due to:

- (a) a competing offer for the Company or the Dots Business being announced or made to the Company before completion of the Transaction; and
- (b) the Company terminating the Sale Agreement as a result of the Board determining that the competing proposal is superior to the Transaction.

A break fee is not payable if Shareholders vote against the Transaction and there is no competing proposal; however, the Company will be obliged to return to the Buyer the \$100,000 deposit.

The Buyer will acquire the Dots Business with all employees and the Company will continue to supply DataTrace DNA to the Buyer for at least two years after completion of the Sale Agreement.

The existing distribution arrangements between the Company and the Guarantor, and the associated royalty payments, will be discharged as part of the Transaction. The royalty payments amounted to \$291,695 in FY18 and \$147,950 in H1FY19.

1.4 Indicative timetable

The Company anticipates that the indicative timetable for implementation of the Transaction will be as set out below:

Event	Date
Dispatch of Notice	9 April 2019
Date of General Meeting	13 May 2019
Completion of Sale Agreement	31 May 2019

The above dates are indicative only and may change without notice.

1.5 Likely effect of the Transaction on the Company

If Resolution 1 is approved by Shareholders and assuming that it proceeds to Completion, the likely impact of the Transaction is set out in the table below.

Particulars ('000)¹	Before transaction (B)	Increase/De crease due to transaction (C)	After transaction (B +/- C)	Percentage change due to transaction (C/B)
Total Securities on Issue	810,606,351	0	810,606,351	0%
Total Consolidated Assets ²	3,437,050	1,109,521	4,546,571	32%
Total Equity Interests	2,250,455	2,171,150	4,421,605	96%
Annual Revenue ³	4,867,165	(4,388,563)	478,602	(90)%
EBITDA	(422,339)	(258,273)	(680,612)	61%
Annual Profit/(loss) before Tax ⁴	(3,119,909)	(494,736)	(3,614,645)	16%

¹ Figures are in AUD based on audited financial statements for the Company and its subsidiaries as at, and for the financial year ended on, 30 June 2018 (FY18).

² "Total Consolidated Assets" excludes existing intercompany loans.

³ Excludes intercompany sales and management fees.

⁴ "Annual Net Profit (before tax) Before transaction" includes net profit results for the Target Companies after eliminating intercompany charges.

Adjusted Annual Net Profit (before tax) ⁵	(691,023)	0	(691,023)	0%
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There are no Board changes of the Company as a part of, or in connection with, the Transaction. There will be no change to a Shareholder's shareholding in the Company as a consequence of the Transaction.

If Resolution 1 is not approved by Shareholders, the Transaction will not proceed to completion, the Company will not receive the Consideration and it will retain the Dots Business.

1.6 Reasons for the Transaction

Context

Since 2017, the Board has considered:

- the plateauing performance of the Dots Business (which has since continued);
- its belief that the Dots Business retains significant growth potential with the right strategy, investment and aligned capabilities;
- that the Company is resource constrained and therefore unlikely to be able to optimise this growth potential on its own; and
- the potential of the Trace Business with and without access to growth capital.

The Board determined that the value of the Dots Business may be greater in the hands of a third party (particularly one with strong automotive OEM relationships) than in the hands of the Company and that in the long term the potential of the Trace Business with access to growth capital was significantly more attractive than the Company having that capital tied up in the Dots Business.

The Board therefore decided to test the market to see if a buyer could be found for the Dots Business on terms that would make divestment of the Dots Business a positive for the Company overall (including because it could generate growth capital for the Trace Business).

⁵ Annual Net Profit (before tax) adjusted to exclude abnormal items recorded in FY18 results – DataTraceID asset impairment and restructuring costs.

Testing the market

An advisor was retained to assist with this process. While the process needed to be selective, to avoid any risk to the Company's existing relationships, over 40 targets were approached from a range of industries, including: Anti-theft, Authentication, Auto (parts and dealer groups), and Packaging and Labelling. These companies ranged from multi-billion dollar multinationals to founder led specialist firms.

As a result the Company entered into discussions with a number of interested parties, including one party that approached the Company separately to the formal process.

Based on this process, the Board is confident that the terms of the Transaction are the best terms available.

The potential of the Trace Business with access to growth capital

The Trace Business is an anti-counterfeit business, that:

- has traction with an active customer base that includes a global pharmaceutical company (with discussions underway to broaden the scope of that relationship);
- addresses a globally significant and growing problem (in 2015 the global impact of counterfeit goods was \$1.77 trillion (up from \$0.25 trillion in 2009));
- is attracting the interest of a number of companies that operate in similar fields, who are interested in exploring partnerships or mergers;
- has a strong pipeline of leads; and
- so far has had limited access to growth capital to generate greater awareness and leads, conduct additional research and development and therefore enable it to grow.

Conclusion

The Board believes that the Transaction is advantageous because it enables the Company to realise value for the Dots Business that is otherwise not able to grow in the Company's hands, and will enable the Company to focus more fully on growing the Trace Business.

Advantages and Disadvantages

Further, the Directors have assessed the non-exhaustive list of advantages and disadvantages of the Transaction as set out below, and are of the view that the advantages outweigh the disadvantages and, accordingly, the Transaction is in the best interests of the Company and Shareholders.

- (a) Advantages
- (i) The terms of the Transaction, including the Consideration, are fair and reasonable and are in the best interests of the Company and Shareholders;
 - (ii) The Transaction realises the value of the Dots Business to the Company;
 - (iii) The Transaction enables the Company to focus on the Trace Business with growth capital;
 - (iv) The Transaction makes the Company more attractive to potential partners and merger candidates with businesses that are aligned to the Trace Business; and
 - (v) The Company will have a fresh start without the legacy of performance associated with the DataDot brand.
- (b) Disadvantages
- (i) The Company will no longer own the Dots Business and it will not be able to realise any future value from the Dots Business;
 - (ii) The Transaction involves the Company selling its main undertaking, which may not be consistent with the investment objectives of all Shareholders and will see an immediate reduction in the Company's revenues that may take time to replace; and
 - (iii) The Company will no longer be associated with the DataDot brand and the reputation it has, particularly in the automotive industry.

If Shareholders do not approve the Transaction, the Directors believe that the Company will face a very uncertain future, faced with a materially undercapitalised business, which will be unable to effectively grow and develop either of its core assets/business units.

1.7 Future direction of the Company

If the Company disposes of the Dots Business, it will focus on growing its Trace business.

The proceeds from the Transaction will be primarily used to grow awareness of, leads for and revenue for the Trace Business. A proportion of the proceeds may also be used to improve value propositions of the Trace Business through research and development and product development.

Additionally, the Company will explore opportunities for partnerships and mergers that may also be attractive to Shareholders.

1.8 Directors' interests and recommendations

Mr Flowers, Mr Hield and Mr Wilks do not have a material interest in the outcome of Resolution 1. They do have interests arising solely in their capacity as a Shareholder (in respect of Mr Flowers and Mr Hield) and as an Optionholder (in respect of Mr Wilks).

The Directors have a relevant interest (held directly and indirectly) in the securities of the Company as set out in the following table:

Director	Shares	Shares subject to Share Loan Scheme	Options
Gary Flowers	5,487,265	Nil	Nil
Stephe Wilks	Nil	Nil	1,000,000
Temogen Hield	400,000	16,126,413	Nil

The options entitle the holder to subscribe for one Share at an exercise price of 5 cents per option.

Having regard to the advantages and disadvantages of the Transaction as detailed in Section 1.6, each of the Directors who holds Shares intends to vote all of their Shares in favour of Resolution 1.

Based on the information available, each of the Directors considers that, in the absence of a superior proposal, the Transaction is in the best interests of the Company and Shareholders. The Directors therefore unanimously recommend Shareholders vote in favour of Resolution 1, in the absence of a superior proposal.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2: Change of Company Name

In consideration of the proposed future direction of the Company, the Directors believe that “DataTraceID Limited” is an appropriate name for the Company. The change of name will take effect from the day on which the Australian Securities and Investments Commission alters the details of the Company’s registration.

As the change of the Company’s name is only appropriate if the Transaction proceeds to completion, Resolution 2 is conditional upon Shareholders approving Resolution 1 and the Transaction otherwise proceeding to completion.

Resolution 2 is a special resolution and therefore requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person or by proxy). Each of the Directors who holds Shares intends to vote all of their Shares in favour of Resolution 2.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

Annexure B

Requisitioner's Statement under section 249P of the Corporations Act
Resolutions 3 to 13

The Requisitioner has requested, pursuant to section 249P of the Corporations Act, that the statement attached to this Notice of Meeting be provided to the Shareholders. The Requisitioner's Statement relates to Resolutions 3 to 13.

The Company is legally required to circulate this statement to its members, however, the Directors and the Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained within it, including any statements which are inaccurate or misleading by omission.

ASX does not take any responsibility for the contents of this Notice.

Section 249 Statement from Requisitioners

Dear Datadot Technology (DDT) member,

Extraordinary General Meeting

As the major shareholder in DDT, with 9.74% of all shares (fully paid for), I have called for a general meeting to propose a change to DDT's board, management and constitution. They have failed to deliver any value for shareholders, depleted capital and now, devoid of a workable plan, are looking to sell the microdot business (core asset), removing 90% of revenue, eroding what little value is left of your investment.

Our proposal is to appoint a new value add team that understands the application of DDTs excellent products with the skills and connections that can refocus back on sales, implement much needed cost reductions, and introduce new revenue streams and products, significantly improving sales in old and new markets.

The additional skills and a "back to basics" strategy will not only increase revenue, while assisting cost reductions, but reinvigorate and enhance the product offering for its current clients, delivering holistic solutions to stimulate growth and secure DDT's future as a world leader in identification, authentication and security products.

The background

DataDot has suffered significant losses for many years and attempts to turn the business around have failed, leaving the company in a parlous financial position.

The current management believes the performance problems are funding and product related not people related. As such, their strategy is to exit the microdot business, the major revenue stream and bet the sale proceeds (shareholders money) and the company's future on the poorly performing DataTraceID (Trace) product.

Trace now accounts for less than 10% of the revenues, which under the current management has seen sales drop by 51%. While Trace is an excellent product, competitors with inferior products, have managed to grow substantial businesses through better execution. As substantial shareholders in DDT, we have lost faith that the current management will succeed and believe that they will ultimately destroy our investment.

Microdots are a timeless identification product and will continue to fulfil a valuable role in assisting to protect and identify property and by leveraging the existing domestic and international infrastructure and revitalising the business through new revenue sharing alliances and enabling products, DDT can grow the business at a lower cost.

Why this proposal?

To alter the current trajectory an alliance is proposed with propertyVAULT (PV), a soon to be released extension, of the highly successful bikeVAULT¹ platform and service. This enhanced platform, designed, built and operated by expert former police is the most advanced and comprehensive solution in the world to counter property crime and recover stolen goods. The PV offering is a compelling end to end solution, allowing DDT to leverage its technologies for competitive advantage as well as receive new revenue from existing and new PV product lines, salvage services and insurance sales, providing annuity income.

While microdots are valuable, the technology alone is not enough. The PV alliance will provide access to a complete solution that not only helps to identify property but connects the dots with community and law enforcement to aid in apprehending thieves and recovering stolen goods.

PV's digital recognition system and "Bots" trawling the digital sales platforms discover stolen property and with microdots giving positive identification can recover and return the property. Where the title of the property has passed to the insurers, sales of the recovered property will

¹ www.bikevault.com.au

provide a further revenue stream. The alliance will allow DDT to leverage PV's team of policing specialists to mine DataDot's existent, but dormant equipment registers releasing the unrealised value.

DDT can retell the microdot success story to its old customers and an extensive new market with the combined product suite bringing a seamless solution to the property ownership life cycle from sale to disposal.

This strategy supports DDT's transformation from a lower value manufacturer to a higher value provider, extending its services, allowing it to ascend the value chain and enter a wider variety of "added value" retail markets.

Why now?

The Board and management have failed to create a team with the necessary industry, sales and marketing expertise to succeed. This has been reflected repeatedly in the financial results where the promise of change is met by continued downward sales and losses. The concern has been voiced repeatedly by long-suffering shareholders and so now is the time to get "back to basics" to secure the company's future and your investment.

Back to the Future

Getting back to basics requires a leadership team that not only knows the industry but is enthusiastic about DDT's history, understands why customers buy microdots and trace and the value of a total solution, supported by a sales and marketing team to deliver new business with that message. This will require a restructure of the business and formation of alliances to deliver cost effective sales and additional revenue streams.

The high-level proposal is as follows;

1. Governance

- The board is tired and does not have faith in microdots. Time for new Directors with proven corporate governance, sales and domain expertise.

2. Organisation

- The leadership team has failed. Time for a new team with relevant management, sales and industry expertise to inject new energy
- Rationalise the existing resources in Australia and overseas to deliver more value
- Review the financials and operations, implementing identified cost savings.

3. Revitalisation

Re-energising the business by establishing alliances to broaden the product offering and increase brand penetration driving new sales and revenue from

- Co-branded products in Australia and overseas including; ID kits and VAULT brand locks and other, to be developed security products
- Commission revenue sharing from sales of related insurance and
- the recovery and sale of insured stolen goods including those previously registered on the DDT property registration database.

4. Funding

If funding constraints cannot be alleviated from cost cutting strategies, a shareholder rights issue is to be considered or alternate financing sort.

Take action now!

Visit: www.propertyvault.com.au/ddtrescue to learn more.

Email: ddtrescue@propertyvault.com.au to keep updated.

Vote: Protect your investment – **vote FOR the resolutions!**

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the relevant Listing Rules of ASX.

Board means the current board of Directors of the Company.

Buyer has the meaning given to that term in Section 1.3.

Dots Business has the meaning given to that term in Section 1.1.

Chair means the chair of the Meeting.

Company means DataDot Technology Limited ACN 091 908 726.

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

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by this Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Sale Agreement has the meaning given to that term in Section 1.3.

Transaction has the meaning given to that term in Section 1.3.

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 10:00am (Sydney Time) on Saturday 11 May 2019.

🖥 TO VOTE ONLINE

- STEP 1: VISIT <https://www.votingonline.com.au/DDTegm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting or does not vote on a poll in accordance with your instructions, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

If you are entitled to cast two or more votes on a resolution, you are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses to the extent permitted by law. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to or on admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

Voting Restrictions for KMP

Please note that if you appoint a member of the Company's key management personnel (KMP) (which includes each of the directors) or one of their closely related parties as your proxy, they will not be able to cast your votes on Items 2, 5.1, 5.2 or 6, unless you direct them how to vote or the Chair of the Meeting is your proxy. If you appoint the Chair of the Meeting as your proxy or the Chair of the Meeting is appointed as your proxy by default, but you do not mark a voting box for Items 2, 5.1, 5.2 or 6, by completing and submitting this Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy in respect of the relevant Item, even though the Item is indirectly or directly connected with the remuneration of the KMP.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy Forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Sydney Time) on Saturday 11 May 2019**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/DDTegm2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the Company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of DataDot Technology Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at Addisons, Level 12, 60 Carrington Street, Sydney NSW 2000 on Monday 13 May 2019 at 10:00am (Sydney Time) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting's voting intention: The Chair of the Meeting intends to vote all available proxies FOR resolutions 1 - 2 and AGAINST resolution's 3 - 13. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote on an item, or to abstain from voting on an item, you must provide a direction by marking the relevant box opposite that resolution.

STEP 2 VOTING DIRECTIONS					
		* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority. Please note: the Chair of the Meeting intends to vote undirected proxies in accordance with the Board recommendation for each resolution:			
Board Recommendation	The Board recommends shareholders vote FOR Resolutions 1-2 and AGAINST Resolutions 3-13				
		For	Against	Abstain	
<i>FOR</i>	Res 1	Divestment of Main Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>FOR</i>	Res 2	Change of Company Name (Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 3	To Remove Stephe Wilks as a Director of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 4	To Appoint Bradley Charles Kellas as a Director of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 5	To Remove Temogen Hield as a Director of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 6	To Appoint Chris McCann as a Director of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 7	To Appoint Roderick Keuris as a Director of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 8	To Review, Assess and Restructure the Senior Management of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 9	To Amend the Constitution of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 10	To Review the Strategic Direction of the Company (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 11	To Amend the Constitution of the Company to Remove the Voting Rights of the Companies ESP and Loan Scheme Shares. (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 12	To Review the change to the Senior Executive Long Term Incentive Scheme that was Implemented in August 2017 (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>AGAINST</i>	Res 13	To Amend the Constitution of the Company to prevent the issue of voting shares with full entitlement to any dividends (non-Board Endorsed Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary