



26 April 2017

Dear Shareholder

Elimination Notice – Sale of less than marketable parcels

Dropsuite Limited ("Dropsuite" or "the Company") has commenced a sale of less than marketable parcels of Dropsuite shares (Shares). Less than marketable parcels are defined in our Constitution (Constitution) and the ASX Listing Rules as parcels worth less than \$500.

The Constitution allows for Dropsuite to carry out this sale once every 12 month period by giving Elimination Notice to Minority Members, who are defined as members holding less than a marketable parcel.

At the record date of 24 April 2017, you hold less than a marketable parcel of Shares and are therefore a Minority Member. Dropsuite therefore gives you this Elimination Notice that, 42 days from the date of this letter (being the Retention Date set out in the below timetable) it intends to sell your less than marketable parcel unless you:

- Advise Dropsuite that you do not wish for this to occur on or before the Retention Date by giving us the enclosed Notice of Retention; or
- Sell your Shares in the meantime.

Reason for commencing process

Dropsuite has commenced this process to reduce costs and to give shareholders the opportunity to sell less than marketable parcels with no brokerage or other fees. As Dropsuite will pay all costs incurred in the sale of less than marketable parcels, including brokerage, Minority Members will receive the full proceeds of the sale of their Shares.

Dropsuite incurs ASX, share registry, printing and postage costs for each shareholder on its share register, and reducing that number therefore significantly reduces the annual costs to the business.

Sale process

Dropsuite is in the process of appointing a broker or brokers (Brokers) to sell the less than marketable parcels. The Constitution gives Dropsuite's Board discretion to sell those Shares in any way they think fit, and therefore the Brokers may sell the Shares on or off market, and may aggregate less than marketable parcels.

The Brokers will attempt to obtain the best price available for the sale, however ultimately price is at the discretion of the Dropsuite Board and the market.

Holders whose Shares are sold will appoint Dropsuite as their attorney to transfer the Shares to be sold, and execute other relevant documentation, therefore no further documentation need be signed by you should you wish for your Shares to be sold.

What you should do

If you wish for your Shares to be sold you need do nothing. Dropsuite will sell your Shares and remit the proceeds of the sale to you on the date referred to below.



If you do not wish your Share to be sold, you **must** return the enclosed Notice of Retention to Dropsuite's Share Registry before the Retention Date instructing Dropsuite not to sell the shares.

Further details are contained in the enclosed form. If you do not return the form by the Retention Date, Dropsuite will sell your Shares.

You may also sell your Shares before the Retention Date, in which case you will be liable for costs associated with that sale.

Timetable

A timetable for the sale of Shares is as follows:

Action	Date
Record Date	24 April 2017
Notice to Minority Members of intention to sell	26 April 2017
Retention Date	6 June 2017
Sales process ends	27 June 2017
Remittance of funds to holders	7 July 2017

Donation

There is an option on the Share Retention Form to choose to donate the proceeds of your sale to Surf Life Saving Australia. Surf Life Saving Australia's vision is to have zero preventable deaths in Australian waters. Surf Life Saving Australia is Australia's peak coastal water safety, drowning prevention and rescue authority. Amounts less than \$100 which remain unclaimed at 25 June 2018 will be donated to Surf Life Saving Australia.

The Company makes no recommendation as to whether you should participate, retain your Shares or Donate them. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions in on the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of a less than marketable parcel under this Elimination Notice will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding the possible taxation implications of the sale of less than marketable parcels under this Notice.

If you require further information in respect of the Elimination Notice, please contact the Company's share registry, Advanced Share Registry Services, on (08) 9389 8033 between the hours of 9:00am and 5:00pm WST Monday to Friday.

Yours faithfully

A handwritten signature in black ink, appearing to read "Zoran Grujic", with a stylized flourish at the end.

Zoran Grujic
Joint Company Secretary