

Dropsuite Limited

ABN 91 008 021 118

**Notice of 2019 Annual General Meeting
to be held on 22 May 2019**

**Explanatory Memorandum
for the Notice of
Annual General Meeting**

**NOTICE OF THE 2019 ANNUAL GENERAL MEETING TO BE HELD AT 3.00PM (AEST)
ON WEDNESDAY 22 MAY 2019 AT THE OFFICES OF BOARDROOM
ON LEVEL 7, 333 COLLINS STREET, MELBOURNE VIC 3000**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE 2019 ANNUAL GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 3.00PM
(AEST) ON MONDAY, 20 MAY 2019**

Section A - Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Shareholders of Dropsuite Limited ABN 91 008 021 118 will be held at 3.00pm (AEST) on Wednesday 22 May 2019 at the offices of Boardroom on Level 7, 333 Collins Street, Melbourne, VIC 3000.

Defined terms used in this Notice of Meeting have the meanings given to them in the Glossary accompanying this Notice of Meeting.

ORDINARY BUSINESS

Financial Statements and Reports

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2018.

1. Resolution 1: Adoption of the Remuneration Report

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That the Company adopt the Remuneration Report for the year ended 31 December 2018 in accordance with Section 250R(2) of the Corporations Act."

Note: This resolution is advisory only and does not bind the Company or the Directors.

2. Resolution 2: Re-election of Director – Theo Hnarakis

Shareholders are asked to consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, Mr Theo Hnarakis, who is retiring in accordance with the Constitution, and who offers himself for re-election, is re-elected as a Director of the Company."

Note: Mr Theo Hnarakis retires as a Director in accordance with the requirement of clause 6.3 of the Constitution. Being eligible, he offers himself for re-election.

By order of the Board



Julian Rockett
Company Secretary

Dated: 5 April 2019

VOTING EXCLUSION STATEMENTS

1. Resolution 1

Voting prohibition statement

In accordance with sections 250BD(1) and 250R(4) of the Corporations Act, no member of the Key Management Personnel (KMP) of the Company details of whose remuneration are included in the Remuneration Report, or a member of the KMP of the Group at the date of the meeting acting as proxy or a Closely Related Party of any such member may vote on the Resolution.

However, in accordance with the Corporations Act, a person described above may vote on the Resolution if:

- (a) it is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their proxy form the way the Chair must vote, in favour of the Resolution.

NOTES

1. Explanatory Memorandum

The Explanatory Memorandum and the annexure accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

2. Voting Statement

The Chairman of the Annual General Meeting intends to vote undirected proxies held by him in favour of each of the Resolutions. Please refer to the proxy form accompanying this Notice of Meeting for more information.

3. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 7.00pm (AEST) on Monday, 20 May 2019, being the second Business Day prior to the date of the Annual General Meeting.

4. Votes of members

On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a corporate representative at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative shall have one vote for each Share held by him, her or it provided that all Shares are fully paid.

5. Proxies

Please note that:

- (a) a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, and the appointment does not specify the proportion of the member's voting rights, each proxy may exercise one-half of the voting rights;
- (d) a proxy need not be a member of the Company;
- (e) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where the proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (f) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;

- by the Company:**

A form of proxy (Proxy Form) accompanies this Notice of Meeting.

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative.

Section B - Explanatory Memorandum

1. Introduction

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Dropsuite Limited (Company) to be held at 3.00pm (AEST) on Wednesday, 22 May 2019, at the offices of Boardroom on Level 7, 333 Collins Street, Melbourne, VIC 3000.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

All capitalised terms are defined in the Glossary of this Explanatory Memorandum.

2. Background to Resolutions

2.1 Resolution 1: Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 31 December 2018.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

(a) Voting consequences

Under the Corporations Act, if at least 25% of the votes cast on a Remuneration Report resolution are voted against the adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company at the second annual general meeting (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the Directors of the Company who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the Executive Directors of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved by the Shareholders will be the Directors of the Company.

(b) Voting Restrictions

Members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution put to Shareholders that the

Remuneration Report of the Company be adopted. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

(c) The Voting Restriction does not apply where:

The Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report of the Company; or

the Chairman is appointed in writing (by a Shareholder who is not Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

Directors Recommendation

The Board recommends that Shareholders vote FOR Resolution 1.

2.2 Resolution 2: Re-election of Director – Theo Hnarakis

The Company's Constitution provides that one third of Directors must retire at each annual general meeting, accordingly Mr Theo Hnarakis retires and, being eligible, wishes to stand for re-election in accordance with the Company's Constitution.

Mr Hnarakis brings a wealth of experience working in the media industry and scaling Australian ASX listed technology businesses. He graduated from the University of South Australia and held senior roles with News Corporation, Boral Group, the PMP Communications group and was the Managing Director and CEO of Melbourne IT until 2013. He has also held director roles with Neulevel, a JV with US based listed company, Neustar and with Advantate, a JV with Fairfax Media.

Directors Recommendation

The Directors (excluding Mr Theo Hnarakis) unanimously recommend that the Shareholders vote FOR Resolution 2.

Section C – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

AEST means Australian Eastern Standard Time as observed in Melbourne, Australia.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the official listing rules issued and enforced by the ASX as amended from time to time.

Board or **Board of Directors** means the board of Directors of Dropsuite.

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney or Melbourne.

Company or **Dropsuite** means Dropsuite Limited ABN 91 008 021 118.

Constitution means the constitution of the Company, as amended from time to time.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum set out in Section B of this document.

Annual General Meeting means the annual general meeting of the Company to be held on Wednesday, 22 May 2019 pursuant to the Notice of Meeting.

Listing Rules means the Listing Rules of the ASX as amended from time to time.

Notice of Meeting or **Notice** means the notice of Annual General Meeting set out in Section A of this document.

Related Party has the meaning given to that term in the Corporations Act.

Resolution means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll.

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

Shareholder means a holder of a Share.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: DSE

Your proxy voting instruction must be received by **3.00PM (AEST) on Monday, 20th May, 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



