



Dragontail Systems Limited
ACN 614 800 136

2020 Notice of Annual General Meeting

2020 Annual General Meeting to be held at the offices of Trident Capital, Level 24, 44 St George's Terrace, Perth WA 6000, Australia on Thursday, 30 July 2020 commencing at 2.00pm (WST).

Due to uncertainty regarding the level of COVID-19 related travel restrictions around the time of the meeting, the Company has determined that Shareholders will have the opportunity to participate in the Meeting virtually.

In accordance with clause 9.9 of the Company's constitution and section 249S of the Corporations Act, and to facilitate Shareholder participation, the Chairperson has determined that Shareholders will have the opportunity to participate in the Meeting virtually through an online platform.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

More information regarding online participation at the Meeting is available in the Virtual Attendance Instructions included on the accompanying Proxy Form.

IMPORTANT

This 2020 Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2020 Annual General Meeting (AGM) of Shareholders of Dragontail Systems Limited (“**Company**”) will be held at the offices of Trident Capital, Level 24, 44 St George’s Terrace, Perth WA 6000, Australia on Thursday 30 July 2020, commencing at 2pm (WST).

The Explanatory Statement and Proxy Form accompanying this Notice of Meeting are incorporated in, and comprise part of, this Notice of meeting.

Items of Business

1. Financial Statements and Reports

To receive and consider the Company’s financial statements and the reports for the year ended 31 December 2019.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass, the following as an advisory and non-binding **ordinary resolution**:

“That the Remuneration Report for the year ended 31 December 2019 be adopted and approved.”

3. Resolution 2 – Election of Director – Mr Henry Shiner

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That Mr Henry Shiner , who was appointed Non-Executive Director of the Company on 13 May 2020, be elected as a Director of the Company.”

4. Resolution 3 – Re - election of Director – Mr Yehuda Shamai

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

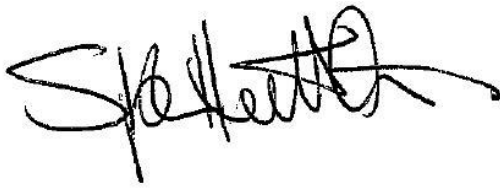
“That Yehuda Shamai, who retires in accordance with the Company’s constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

5. Resolution 4 – Approval of additional 10% placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

By order of the Board



Stephen Hewitt-Dutton
Company Secretary
Dragontail Systems Limited

16 June 2020

Voting Exclusion Statement

1. Resolution 1 – Remuneration Report

In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or Closely Related Party of such member.

However, the Company will not disregard a vote if:

- (a) The person is acting as proxy, the proxy form specifies how the proxy is to vote and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) The person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of the member of the Key Management Personnel.

INFORMATION FOR SHAREHOLDERS

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate 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. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 2.00pm (WST) on Tuesday 28 July 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

Virtual Attendance Instructions

Due to uncertainty regarding the level of COVID-19 related travel restrictions around the time of the meeting, the Company has determined that Shareholders will have the opportunity to participate in the Meeting virtually.

In accordance with clause 9.9 of the Company's constitution and section 249S of the Corporations Act, and to facilitate Shareholder participation, the Chairperson has determined that Shareholders will have the opportunity to participate in the Meeting virtually through an online platform.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

More information regarding online participation at the Meeting is available in the Virtual Attendance Instructions included on the accompanying Proxy Form.

EXPLANATORY STATEMENT

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this notice of Annual General Meeting and the Explanatory Statement.

1. Financial Statements and Reports

The 2019 Annual Report, which includes the Directors' Report and Auditor's Report for the financial year ended 31 December 2019, is available on the Company's website: www.dragontailsystems.com/financial-reports.

Shareholders will be given a reasonable opportunity to ask questions about or make comments on the management of the company. The Company's auditors will also attend the meeting and be available to receive questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit,

This item of business does not require Shareholders to vote on a Resolution or adopt the received reports.

2. Resolution 1 – Remuneration Report

As required by the Corporations Act, the Board presents the Remuneration Report for the year ended 31 December 2019 (**Remuneration Report**) to shareholders for consideration and adoption by a non-binding vote.

Shareholders will be given a reasonable opportunity at the meeting to comment on and ask questions about the Company's Remuneration Report.

The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Remuneration Report can be found on pages 8 to 1 of the 2019 Annual Financial Report. Copies of the Annual Financial Report are available on the Company's website at www.dragontailsystems.com/financial-reports or can be obtained from the Share Registry either by email at admin@advancedshare.com.au or by telephone on (08) 9389 8033.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on this Resolution at the Meeting are against the adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the Meeting, the Company's Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2021 annual general meeting, at least 25% of the votes cast on the resolution for the adoption of the Remuneration Report for the relevant year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the Company's 2021 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report which has been adopted by a resolution of the Board. The Directors have resolved in favour of the Remuneration Report and recommend it to Shareholders for adoption.

3. Resolution 2 – Election of Director – Mr Henry Shiner

Resolution 2 is an ordinary resolution which provides for the approval of the appointment of Henry Shiner as Non-Executive Director on 13 May 2020.

Mr. Shiner has held senior management and strategic positions he held, including in the Quick Service Restaurant industry, where he held the positions at McDonalds of Vice President, Chief Information Officer (CIO) Australasia and then Vice President Global Financial Transformation IT.

Mr. Shiner, in serving as Vice President – Chief Information Officer of McDonald's Australia, was responsible for IT strategy and implementation for the McDonald's business across Australia, New Zealand and the Pacific Islands. He became a Non-Executive Director on the National Board of Ronald McDonald Charities in 2013, as well as holding the role of a Non-Executive Director at a versatile set of companies, thus enriching his business achievements, and acquiring knowledge and wide experience. Prior to McDonald's, Henry held Senior executive positions in Norske Skog, Fletcher Challenge Paper, Honeywell and AGL.

In addition to an Honors degree in Chemical Engineering, Mr. Shiner has graduated in Global Management studies at the IMD School at Lausanne, Switzerland and is a member and graduate of the Australian Institute of Company Directors. Mr. Shiner brings strong leadership skills across a wide range of business, with an extraordinarily strong track record in several well established successful International and Australian-based companies.

Directors Recommendation

The Directors other than Mr Shiner recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-election of Director – Mr Yehuda Shamai

Yehuda Shamai retires in accordance with Clause 11.1(c) of the Constitution. Resolution 3 is an ordinary resolution which seeks Shareholder approval of the re-election of Yehuda Shamai.

Being eligible, Yehuda Shamai offers himself for re-election as a Director.

Yehuda Shamai has established and managed large Israeli entities with international brands such as Pizza Hut, KFC and Domino's Pizza.

In the past, Mr Shamai served as Business Development Manager for Israel Corporation Ltd and as such has been involved in some of the largest mergers and acquisitions in Israel.

Mr Shamai has a vast knowledge of management software tools and e-payments and is involved as a director and investor in several existing companies and start-ups developing and marketing advanced physical and virtual payment solutions.

Directors Recommendation

The continuing Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Approval of additional 10% placement capacity

Resolution 4 is a **special resolution** to approve the Company's ability to utilise the additional 10% placement capacity available under Listing Rule 7.1A for the next 12 months.

This Resolution 4 will be passed by Shareholders as a special resolution if 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Capacity). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Shareholder approval was previously obtained pursuant to Listing Rule 7.1A on 29 May 2019 (at the 2019 Annual General Meeting). The Company is now seeking Shareholder approval by way of a special resolution to enable the Company's to issue Equity Securities under the 10% Placement Capacity over the next 12 months.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% placement capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% placement capacity is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% placement capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company has the following quoted Equity Securities on issue:

- 248,883,418 ordinary shares.

(c) Formula for calculating 10% placement capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,

Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.

- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) ASX Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to section c above).

(e) Minimum issue price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 10 trading days of the date in section i, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% placement capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- ii. The time and date of the Company's next annual general meeting; or
- iii. the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

5.3 Specific Information Required by ASX Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% placement capacity.

1. The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities in the same class calculated over the 15 trading days immediately before:
 - a. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - b. if the Equity Securities are not issued within 10 trading days of the date in Section 5.3 (1) (a), the date on which the Equity Securities are issued.
2. If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% placement capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - a. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - b. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- i. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at future meetings of Shareholders; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0725 50% decrease in market price	\$0.145 current market price	\$0.2175 50% increase in market price
Current variable "A" 248,883,418	10% voting dilution	24,888,341 Shares	24,888,341 Shares	24,888,341 Shares
	Funds raised	\$1,804,405	\$3,608,809	\$5,413,214
50% increase in current variable "A" 373,325,127	10% voting dilution	37,332,511 Shares	37,332,511 Shares	37,332,511 Shares
	Funds raised	\$2,706,607	\$5,413,214	\$8,119,821
100% increase in current variable "A" 497,766,836	10% voting dilution	49,766,836 Shares	49,766,836 Shares	49,766,836 Shares
	Funds raised	\$3,608,809	\$7,217,619	\$10,826,428

Notes and assumptions

1. The Company issues the maximum number of Equity Securities available under the 10% placement capacity.
 2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% placement capacity, based on that Shareholder's holding at the date of the Annual General Meeting.
 4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 5. The issue of Equity Securities under the 10% placement capacity consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 6. The issue price is \$0.145, being the closing price of the Shares on the ASX on 5 June 2020.
3. The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a further transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
 4. The Company may seek to issue the Equity Securities under the 10% placement capacity to raise funds for working capital and further development of its "Algo" Dispatch System and the QT camera quality control system.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon any issue of Equity Securities.

5. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement capacity. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to factors which include the following:
 - a. the purpose of the issue;
 - b. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - c. the effect of the issue of the Equity Securities on the control of the Company;
 - d. the financial situation and solvency of the Company;
 - e. prevailing market conditions; and
 - f. advice from corporate, financial and broking advisers (if applicable).

The persons issued securities under the 10% placement capacity have not been determined as at the date of the Notice but are likely to be Exempt Investors.

6. The Company did not issue any shares under Listing Rule 7.1A.2 during the 12 months preceding the meeting (LR7.3A.6).
7. A voting exclusion statement is included in the Information Statement (above).

Directors' Recommendation

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	has the meaning set out in sections 11 to 17 of the Corporations Act, as applicable and as applied in accordance with the note to Listing Rule 14.11.
ASX	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.
Board	board of Directors.
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
Chair	Yehuda Shamai
Closely Related Party	means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependant of that member or of that member's spouse;(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;(e) a company that is controlled by that member; or(f) any other person prescribed by the regulations.
Company	Dragontail Systems Limited (ACN 614 800 136).
Constitution	Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company.
Explanatory Statement	this Explanatory Statement accompanying the Notice of Meeting.
Key Management Personnel	means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the official listing rules of the ASX as amended from time to time.
Notice of Meeting	the notice convening the Extraordinary General Meeting which accompanies this Explanatory Statement.
Related Party	the meaning give to that term in the Corporations Act.
Resolutions	the resolutions set out in the Notice of Meeting.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	shareholder of the Company.
Voting Power	the meaning given to that term in the Corporations Act.
WST	Western Australian Standard Time.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to uncertainty regarding the level of travel restrictions owing to the COVID-19 outbreak around the time of the meeting, the Company has determined that Shareholders will have the opportunity to participate in the Meeting virtually.

2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Dragontail Systems Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at the offices of Trident Capital, Level 24, 44 St George's Terrace, Perth WA 6000, Australia on 30 July 2020 at 2:00pm (WST)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Henry Shiner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re - election of Director – Mr Yehuda Shamai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

COVID-19: DRAGONTAIL SYSTEMS LIMITED ANNUAL GENERAL MEETING

Due to uncertainty regarding the level of travel restrictions owing to the COVID-19 outbreak around the time of the meeting, the Company has determined that Shareholders will have the opportunity to participate in the Meeting virtually.

In accordance with clause 9.9 of the Company's constitution and section 249S of the Corporations Act, and to facilitate Shareholder participation, the Chair has determined that Shareholders will have the opportunity to participate in the Meeting virtually through an online platform.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal from 16 July 2020.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares 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; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all shareholders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2.00pm (WST) on 28 July 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033