

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of members of DataDot Technology Limited (**Company**) is to be held for the purpose of conducting the business of the meeting as itemised.

Venue: BDO Boardroom
Level 11
1 Margaret St
Sydney
New South Wales 2000

Date: Friday, 25 November 2016

Time: 10.00 a.m. (Sydney time)

BUSINESS OF THE MEETING

Financial Statements and Reports

To receive and consider the Financial Statements and Reports of the Directors and Auditor for the financial year ended 30 June 2016.

1. Re-election of Director – Mr Gary Flowers

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

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

2. Re-election of Director – Mr Stephe Wilks

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

“That Mr Stephe Wilks, having been appointed a Director since the last general meeting and, being eligible, offers himself for re-election, be re-elected as a Director of the Company in accordance with the Company’s constitution.”

3. Issue of Share Options to Mr Stephe Wilks

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

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the grant to Mr Stephe Wilks (or his nominee) of 1,000,000 options on the terms and conditions detailed in the Explanatory Memorandum, is approved.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 4 by Mr Stephe Wilks and his nominee and any of his associates. However, the Company need not disregard a vote if it is cast:

- (a) by Mr Wilks or an associate of Mr Wilks as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Remuneration Report

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

“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors’ Report.”

Voting Exclusion Statement

The Company will disregard any votes on Resolution 4 by or on behalf of a member of the Key Management Personnel of the Company (including Directors) (“**KMP**”), or their closely related parties. However, the Company need not disregard a vote cast by a KMP or closely related party of the KMP if:

- (a) the person is acting as proxy and 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 a member of the KMP.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Other Information

The Explanatory Memorandum accompanies and forms part of this Notice.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Annual General Meeting should consult their financial or legal adviser for assistance.

Voting by Proxy

Any Shareholder of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a shareholder of the Company. 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,

not later than 10.00 a.m. (Sydney time) on Wednesday 23 November 2016.

Boardroom Pty Limited (hand deliveries)

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 lodgment

02 9290 9655

Online

www.votingonline.com.au/DDTagm2016

A form of proxy is provided with this notice.

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, 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 Wednesday 23 November 2016. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

By Order of the Board
DataDot Technology Limited

A handwritten signature in black ink, appearing to read 'Patrick Raper', with a long horizontal stroke extending from the bottom of the signature.

Patrick Raper
Company Secretary
7 October 2016

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

EXPLANATORY MEMORANDUM

This Explanatory Memorandum relates to the Annual General Meeting of the Company to be held in the BDO Boardroom, Level 11, 1 Margaret Street Sydney on Friday, 25 November 2016 at 10.00 a.m. (Sydney time).

Financial Report and Reports of the Directors and Auditor

This item allows Shareholders the opportunity to consider the Financial Report, Directors' Report and Auditor's Report of the Company. Under Section 317 of the Corporations Act the Company is required to lay these 3 reports, together comprising the Company's Annual Report, before its Shareholders at its Annual General Meeting.

Resolution 1: Re-election of Gary Flowers

Under ASX Listing Rule 14.4 a Director, other than the Managing Director, must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Under Rule 6.4 of the Company's Constitution one-third of the Company's Directors, other than the Managing Director and not including a Director appointed by the remaining Directors, or the number nearest to but not exceeding one-third, must retire after 3 years or at the third annual general meeting following the Director's appointment, unless re-elected.

Resolution 1 provides for the re-election of Gary Flowers as Director of the Company in accordance with Listing Rule 14.4 and Rule 6.4 of the Company's Constitution.

Mr Flowers joined the Board as a non-executive Director on 27 November 2007. Until 2007 Mr Flowers was Managing Director and CEO of Australian Rugby Union, CEO of SANZAR and a Council Member of the International Rugby Board. He was previously National Managing Partner of Sparke Helmore Lawyers. He is currently Chairman of the Advisory Board to Mainbrace Constructions Pty Limited, Chairman of NSW Institute of Sport, Chairman of Northern Star Investments Pty Ltd, Director of Sparke Helmore and Member of the Investment Committee of Propertylink Australian Industrial Partnership. Mr Flowers is the Chairman of the Audit and Risk Management Committee and a member of the Remuneration and Nomination Committee.

The Board, other than Mr Flowers, recommends the reappointment of Mr Flowers as a Director.

Resolution 2: Re-election of Mr Stephe Wilks

Under Listing Rule 14.4 a Director, other than the Managing Director, appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Under Rule 6.2(c) of the Company's Constitution any Director appointed by the other Directors must offer himself or herself for re-election at the next annual general meeting.

Resolution 2 provides for the re-election of Stephe Wilks as Director of the Company in accordance with Listing Rule 14.4 and Rule 6.2(c) of the Company's Constitution.

Mr Wilks joined the Board as a non-executive Director on the 26 February 2016. He has over 25 years' experience in the telecommunications industry both within Australia and overseas. He has been Regional Director (Asia & Japan) – Regulatory Affairs for BT Asia Pacific, Managing Director of XYZed Pty Ltd (an Optus company) as well as Chief Operating Officer of Nextgen Networks and Personal Broadband Australia. He is currently the Chairman of one of Australia's leading IT companies, Interactive Pty Ltd, a Non-Executive Director of 3Q Holdings Limited and Aggregato Global Limited, and is an Advisory Board Member of the Network Insight Institute. Mr Wilks is a member of the Company's Audit and Risk Management Committee and is the Chairman of the Remuneration and Nomination Committee.

The Board, other than Mr Wilks, recommends the reappointment of Mr Wilks as a director.

Resolution 3: Approval of Share Options to Mr Stephe Wilks

Resolution 3 seeks the approval of Shareholders in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of Options to Mr Wilks, Director, (or his nominee).

On the recommendation of the Remuneration and Nomination Committee the Board submits for Shareholder approval the issue of 1,000,000 Options to Mr Stephe Wilks.

Overview

The purpose of this resolution is to obtain Shareholder approval to grant Options to assist in the reward and retention of Mr Wilks, a Director of the Company. The Board does not consider there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options on the terms proposed. The grant of the Options is consistent with the Company's long-term incentive remuneration policy, providing Directors with the opportunity to participate in the future growth of the Company through share ownership.

The Board considers that the grant of Options to Mr Wilks is reasonable in the circumstances given the necessity to attract and retain Directors of the highest calibre while preserving the Company's cash reserves. The Board notes that smaller companies are increasingly providing equity securities to directors to strengthen the alignment of shareholders' and directors' interests. The Board supports this trend where the realised value of equity grants is dependent on significant improvement in the share price and costs to the Company are minimal.

The Board considers that the number of Options proposed to be granted to Mr Wilks will ensure that the Company's Director emoluments remain consistent and competitive with the market.

The key terms of the proposal are:

- (a) the exercise price of the Options will be 5 cents per Share or such higher price as may be necessary to ensure that the exercise price is not less than 143% of the Share price at the date the Options are granted;
- (b) the Options will expire three years after the date of grant; and

- (c) exercising the Options requires a cash payment to the Company.

The value of each Option is \$0.004

The grant of Options to Directors is considered appropriate as it:

- (a) provides a low-cost, non-cash incentive (related to increase in share price) that aligns Shareholders' and Mr Wilks' interests;
- (b) sets a high hurdle for exercise of the Options to convert into Shares; and
- (c) requires a payment by Mr Wilks to the Company on exercise of the Options to convert into Shares.

These benefits are not achieved through other incentives such as cash bonus and Share issues.

Reason for Shareholder Approval

Listing Rule 10.11 prevents the Company from issuing options to Directors or their nominees or associates without the approval of Shareholders.

Issuing options to Directors also requires Shareholder approval as a related party transaction under the Corporations Act.

Terms of Options

The proposed terms of the Options are:

Maximum no. of Options	1,000,000
Exercise Price	Each Option will entitle the Mr Wilks to subscribe for one Share at an exercise price of 5 cents per Share or such higher price as may be necessary to ensure that the exercise price is not less than 143% of the Share price at the date the Options are granted.
Exercise Condition	Must be exercised while a Director or within 1 month of ceasing to be a Director.
Vesting Period	Fully vested at grant
Expiry Date	The Options will be exercisable at any time prior to 5.00 p.m. Sydney time 3 years after the issue date (" Expiry Date "). Options not exercised on or before the Expiry Date will lapse.
Method of Exercise of Options	The Options may be exercised wholly or in part by completing an application form for Shares (" Notice of Exercise ") delivered to the Company and received by it any time prior to the Expiry Date.
Other Conditions	<ul style="list-style-type: none">(a) Upon the exercise of an Option and receipt of all relevant documents and payment, Mr Wilks will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.(b) Any Notice of Exercise received by the Company on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received.

	<p>(c) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options.</p> <p>(d) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.</p> <p>(e) The Options are non-transferable.</p>
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Relevant Disclosures

The following additional information in relation to the Options to be granted is provided to Shareholders to satisfy the requirements of the Listing Rules and the Corporations Act:

- (a) The Options will be allotted and granted on a date which will be no later than 1 month after the date of the AGM, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (b) The Options will be issued for nil consideration.
- (c) Any funds raised by the exercise of the Options are intended to be used for the Company's general working capital purposes.
- (d) The Directors have determined the value of the Options using the Black Scholes model for pricing of financial options. This valuation model uses inputs including time to expiration, strike price, value of underlying financial instrument, implied volatility and the risk free interest rate.
- (e) For the purposes of this Explanatory Statement, in order to provide an indicative value of the Options for the purposes of the Black Scholes model, it has been assumed that the Options have been issued on 15 September 2016 so that they expire on 15 September 2019.
- (f) Using this method of valuation the Company has determined a value of \$0.004 for each Option to be granted to the Directors. Accordingly, on the basis of this calculation, the total financial benefit to be given to Mr Wilks amounts to \$4,000.

The assumptions used by the Company in calculating the value of the Options were as follows:

Share Price:	\$0.016
Exercise Price:	\$0.05
Volatility:	79.87%
Vesting Date:	Date of grant
Expiry date:	3 years from date of grant
Risk Free Rate:	2.158%

Dividends: Nil

- (a) The following table sets out the number of Shares and Options on issue both at the date of the Notice of Meeting of the Company and assuming that the Options are approved and issued to Mr Wilks.

Detail	Ordinary Shares	Options
Date of Notice	761,674,461	32,000,000
If Options approved	761,674,461	33,000,000

The Shares and Options currently held directly and indirectly by Mr Wilks both as at the date of the Notice of Meeting, and assuming that the Options are approved and issued are set out below:

Director and/or Nominee	Proposed Options to be Issued	Options currently held	Shares currently held (directly and indirectly)	% of issued capital - undiluted (assumes the Options are not exercised)	% of issued capital - fully diluted (assumes the Options are exercised and all Share Rights vest)
Mr Stephe Wilks (Non-Executive Director)	1,000,000	nil	nil	nil	0.13%

At the time any Options are exercised and Shares are issued pursuant to their exercise, the ordinary shares in the Company may be trading at a price that is higher than the exercise price of the Options.

- (b) Prior to the date of the Notice of Meeting, the highest price of fully paid ordinary shares in the Company trading on ASX during the last 12 months was \$0.033, which most recently occurred on 20 November 2015, and the lowest price of shares in the Company trading on the ASX during the past 12 months was \$0.015, on 23 August 2016. The most recent closing price of shares in the Company trading on the ASX prior to the date of the Notice of Meeting was \$0.016 which occurred on 6 October 2016.
- (c) It is not considered from an economic and commercial point of view that there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company that will result from the issue of Options to Mr Wilks pursuant to Resolution 3

Directors' Recommendation

The Directors, other than Mr Wilks, recommend that Shareholders vote in favour of Resolution 3 for reasons set out above.

Resolution 4: Remuneration Report

Resolution 4 provides Shareholders the opportunity to vote on the Company's Remuneration Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote at the annual general meeting. The Remuneration Report is contained in the Directors' Report.

Section 250R(3) of the Corporations Act provides that Resolution 4 is advisory only and does not bind the Directors or the Company, and a failure of Shareholders to pass Resolution 4 will not require the Directors to alter any arrangements in the Remuneration Report.

The Chairman will allow reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 4. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 4, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Glossary

In this Notice and Explanatory Memorandum:

\$ means Australian Dollars.

ASX means ASX Limited ACN 008 624 691, and where the context permits the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report in the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting convened by this Notice.

Company means DataDot Technology Limited (ACN 091 908 726).

Constitution means the constitution of the Company as at the commencement of the Meeting.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means 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) of the Company.

Listing Rules means the listing rules of ASX.

Meeting means the annual general meeting to which this Notice relates.

Notice means this notice of meeting.

Option means option to acquire Shares.

Proxy Form means the proxy form attached to the Notice.

Share means an ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.