



Dropsuite Limited

ABN 91 008 021 118

**Notice of 2023 Annual General Meeting
to be held on Monday, 22 May 2023**

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

**NOTICE OF THE 2023 ANNUAL GENERAL MEETING TO BE HELD AT 11.00AM (AEST) ON
MONDAY, 22 MAY 2023 AT WORKCLUB, 477 COLLINS STREET MELBOURNE VIC 3000 AND
VIA ZOOM WEBINAR**

TO BE VALID, FORMS OF PROXY FOR USE AT THE 2023 ANNUAL GENERAL MEETING MUST
BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 11.00 AM (AEST) ON
SATURDAY, 20 MAY 2023.

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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 (**Dropsuite** or **Company**) will be held at 11.00am (AEST) on Monday, 22 May 2023 at 477 Collins Street, Melbourne VIC 3000 and via Zoom Webinar.

The details of the Zoom facility are:

Join Zoom Meeting:

https://us02web.zoom.us/webinar/register/WN_ZKwb3qIHQDycD6NsjGCK6w

Shareholders can either attend the Meeting physically at the address listed above or join the Meeting via Zoom with details above.

Voting at the meeting

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. (Registration on the day) If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. (Live voting on the day) If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

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 2022.

Note that there is no requirement for Shareholders to approve these reports. However, the Annual General Meeting provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the management, business and operations of the Company. In addition, Shareholders will be allowed a reasonable opportunity at the Annual General Meeting to ask questions of the auditor (or the auditor's representative) relevant to:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the auditor's independence in relation to the above items.

1. Resolution 1: Adoption of the Remuneration Report

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

"That the Company adopt the Remuneration Report for the year ended 31 December 2022 in accordance with Section 250R(2) of the Corporations Act."

Please refer to the Explanatory Memorandum for further information on this resolution.

Note: This resolution will be decided by a poll. This resolution is advisory only and does not bind the Company or the Directors. A voting prohibition applies in respect of this resolution - see Explanatory Memorandum for details.

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

Shareholders are asked to consider, and if thought fit, to pass with or without amendment 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."

Please refer to the Explanatory Memorandum for further information on this resolution.

Note: Mr Theo Hnarakis retires as a Director in accordance with the requirements of clause 59 of the Constitution. Being eligible, he offers himself for re-election. This resolution will be decided by a poll. No voting exclusion applies in respect of this resolution.

3. Resolution 3: To Appoint RSM Australia Partners as Auditor

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

"That, for the purposes of the Corporations Act 2001, and for all other purposes, RSM Australia Partners, having been nominated by a Shareholder and consented in writing to act in the capacity of Auditor, be appointed as Auditor of the Company.."

Please refer to the Explanatory Memorandum for further information on this resolution.

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4. Resolution 4: Grant of 2,000,000 Performance Rights to Mr Charif Elansari, Managing Director and CEO of the Company

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 2,000,000 performance rights to the Managing Director and CEO of the Company, Mr Charif Elansari (and/or his nominee(s)), under the Dropsuite 2020-2022 Performance Rights Plan, as described in, and on the terms and conditions set out in, the Explanatory Memorandum.”

Please refer to the Explanatory Memorandum for further information on this resolution.

Note: This resolution will be decided by a poll. A voting exclusion and proxy voting prohibition applies in respect of this resolution - see Explanatory Memorandum and the Notes for details.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan including Mr Charif Elansari or any of their associates.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shareholders should be aware that the Chairman intends to vote all undirected proxies given to the Chairman in favour of the resolutions of the Annual General Meeting, including this Resolution 4, subject to compliance with the Corporations Act.

By order of the Board

Kobe Li
Company Secretary



Dated: 20 April 2023

NOTES

1. Explanatory Memorandum & Other Information

The following additional sections form part of this Notice and should be read in conjunction with it. They are the:

- Explanatory Memorandum in Section B;
- Glossary in Section C;

2. Voting Statement

Subject to the Corporations Act, 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 recognized 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 Thursday, 19 May 2023, being the second Business Day prior to the date of the Annual General Meeting.

4. Votes of members

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;

- (h) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (i) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11.00 am (AEST) on Saturday, 20 May 2023:

by the Company:

- by mail: Automic Registry Services
GPO Box 5193, Sydney, NSW 2001
- in person: Automic
Level 5, 126 Phillip Street, Sydney NSW 2000
- by email: meetings@automicgroup.com.au

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

6. Proxy Voting Restrictions

Resolution 1

The Remuneration Report identifies key management personnel for the year ended 31 December 2022. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2022 Remuneration Report, any other key management personnel whose remuneration details are included in the 2022 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

Resolution 4

The Remuneration Report identifies key management personnel for the year ended 31 December 2022. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2022 Remuneration Report, any other key management personnel whose remuneration details are included in the 2022 Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolution 4 provided however that the chair may vote undirected proxies on Resolution 4 on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

7. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General 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.

8. Currency

References to "\$" in this Notice and Explanatory Memorandum are to Australian dollars.

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Section B - Explanatory Memorandum

1. Introduction

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Dropsuite Limited (**Dropsuite** or the **Company**) to be held at 11.00am (AEST) on Monday, 22 May 2023.

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 in Section C of this Notice.

2. Background to Resolutions

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. 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 2022.

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

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**). More than 75% of the votes cast at the 2022 Annual General Meeting were for adoption of the 2021 Remuneration Report and therefore a Spill Resolution will not be required if at least 25% of the votes are cast against the adoption of the 2022 Remuneration Report under Resolution 1.

If at least 25% of votes are cast against the Remuneration Report at consecutive Annual General Meetings and thereafter 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.

Voting Prohibition

For each Key Management Personnel whose remuneration details are included in the Remuneration Report, the Company will disregard any votes cast in any capacity on Resolution 1 by or on behalf of these Key Management Personnel or any of their closely related party (collectively **Restricted Voters**).

However, a person (**voter**) may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chairman may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.

Shareholders should be aware that the Chairman intends to vote all undirected proxies given to the Chairman in favour of the resolutions of the Annual General Meeting, including this Resolution 1, subject to compliance with the Corporations Act. Further details are set out in the Notes.

Resolution 2: Re-election of Director – Mr 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 Theo Hnarakis is a Non-Executive Director who was appointed on 20 December 2016.

Theo Hnarakis brings a wealth of experience working in the media industry and scaling ASX listed technology businesses. He graduated from the University of South Australia and held senior roles with News Corporation, Boral Group, 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.

Voting Exclusion Statement

No voting exclusion statement applies to this resolution.

Shareholders should be aware that the Chairman intends to vote all undirected proxies given to the Chairman in favour of the resolutions of the Annual General Meeting, including this Resolution 2.

Directors' Recommendation

The Board (Mr Theo Hnarakis abstaining) recommends that Shareholders vote **FOR** Resolution 2.

Resolution 3: To Appoint RSM Australia Partners as Auditor

On 15 July 2022, the Company announced the appointment of RSM Australia Partners (**RSM Australia**) as auditor of the Company in accordance with section 327C of the Corporations Act following the resignation of Elderton Audit Pty Ltd (**Elderton Audit**) as the Company's auditor. ASIC has consented to the resignation of Elderton Audit as the Company's auditor. Under section 327C(2)

of the Corporations Act, RSM Australia holds office until the Company's next annual general meeting, being the meeting to be held on Monday, 22 May 2023.

The Company now seeks shareholder approval of the appointment of RSM Australia Partners as auditor of the Company in accordance with the Corporations Act.

In accordance with the Corporations Act, a notice in writing nominating RSM Australia as auditor has been given to the Company by a shareholder. A copy of this notice is contained in section D attached as annexure.

RSM Australia has provided to the Company its written consent to act as the Company's auditor in accordance the Corporations Act.

Directors' Recommendation

The Board recommends that Shareholders vote **FOR** Resolution 3.

Resolutions 4 – Grant of 2,000,000 Performance Rights to Mr Charif Elansari, Managing Director of the Company

The Company is proposing to issue to Mr Charif Elansari, the Managing Director and CEO of the Company (and/or his nominee(s)), 2,000,000 performance rights (**Performance Rights**) under the Dropsuite 2020-2022 Performance Rights Plan (**Plan**). The terms of the Performance Rights are set out in full in Section F.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of Performance Rights to directors of the Company under an employee incentive scheme. This resolution seeks stockholder approval under ASX Listing Rule 10.14 and for all other purposes, for the grant of Performance Rights to Mr Charif Elansari (and/or his nominee(s)) as a long-term incentive under the Plan.

The Company proposes issuing the Performance Rights to Mr Charif Elansari (and/or his nominee(s)) as a means of providing him with valuable remuneration that is in line with the long-term strategic goals and performance targets of the Company and to align his interests with those of shareholders, whilst also preserving cash reserves in the Company.

Specific disclosure of information – ASX Listing Rules

If Shareholders pass resolution 4, the Company will be able to issue the 2,000,000 Performance Rights to Mr Charis Elansari (and/or his nominee(s)) under the Plan. If shareholders do not pass resolution 4, the Company will not be able to issue the Performance Rights to Mr Charis Elansari (and/or his nominee(s)). If shareholders do not approve the issue of Performance Rights to Mr Charif Elansari (and/or his nominee(s)) then the Company may seek to remunerate Mr Charif Elansari by alternate methods, including by making additional cash payments to him (however there is no plan in place to do so as at the date of the Notice).

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders in relation to the Performance Rights issued under the Plan:

1. The proposed grant will be made to Mr Charif Elansari, the Company's Managing Director and CEO (and/or his nominee(s)). Mr Elansari is Managing Director and is therefore a related party of the Company for the purposes of ASX Listing Rule 10.14.1.
2. The number of Performance Rights to be granted to Mr Charif Elansari (and/or his nominee(s)) is 2,000,000.
3. Mr Charif Elansari's current total remuneration package per annum is \$512,235, as disclosed in the Remuneration Report of the Company's 2022 Annual Report.
4. The Company has previously issued a total of 1,000,000 Performance Rights to Mr Charif

Elansari under the Plan.

5. The proposed grant of Performance Rights will be made in accordance with the terms as summarised in Section F. The Company believes that the grant of Performance Rights to Mr Charif Elansari (and/or his nominee(s)), alongside with other employees will provide long term incentives in line with the Company's strategic goals and performance targets whilst preserving cash resources in the Company. The Board of Directors believe the grant of the Performance Rights will better align the Company's shareholder interest with management team. The value of the Performance Rights in aggregate are \$372,000.
6. The Company intends to issue the Performance Rights as soon as practicable following shareholder approval, and in any event, no later than 3 years after the date of the meeting.
7. The Performance Rights are to be issued at nil cash consideration.
8. See Section E of this Notice for the material terms of the Plan.
9. There are no loans made in relation to the proposed grant.
10. Details of any securities issued under the Plan will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
11. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Corporations Act – Chapter 2E

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed recipient of the Performance Rights under Resolution 4 is a Director of the Company and is therefore related parties of the Company as defined under the Corporations Act.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of Performance Rights is reasonable remuneration and, as such, fall within the exception set out in section 211 of the Corporations Act.

In reaching this view, the Company has considered the position and responsibilities of Mr Charif Elansari, the Company's reliance on a limited number of personnel, the need for the Company to effectively incentivise Mr Charif Elansari while aligning the incentive with increasing shareholder value, the desirability of preserving cash resources within the Company, and the terms of the Plan. The Company considers that the issue of LFS is an effective tool which preserves the cash reserves of the Company and its group entities whilst providing valuable consideration for Mr Charif Elansari.

If Resolution 4 is passed, Mr Charif Elansari will have a relevant interest in 2,000,000 Performance Rights.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan including Mr Charif Elansari or any of their associates.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shareholders should be aware that the Chairman intends to vote all undirected proxies given to the Chairman in favour of the resolutions of the Annual General Meeting, including this Resolution 4, subject to compliance with the Corporations Act.

Directors' Recommendation

The Board (with Mr Charif Elansari abstaining) recommends that Shareholders vote **FOR** Resolution 4.

Section C - Glossary

Definitions

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

Associate has the meaning given to that term in the ASX Listing Rules.

Annual General Meeting means the annual general meeting of the Company to be held on Monday, 22 May 2023 pursuant to the Notice of Meeting.

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.

Chairman means the person chairing the Annual General Meeting.

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.

Equity Securities has the meaning set out in the ASX Listing Rules.

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

Key Management Personnel means 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) of the Company.

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.

Security Interest means any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement.

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

Shareholder means a holder of a Share.

Special Resolution means a resolution passed by a 75% majority of members of the Company on a show of hands or by the requisite 75% majority of votes given on a poll.

Subsidiary has the meaning given to that term in the Corporations Act.

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Section D – Attachment – Notice of Nomination of Auditor

18 April 2023

Kobe Li
Company Secretary
Dropsuite Limited
14 Emerald Terrace
West Perth WA 6005
Australia

Nomination of Auditor

Dear Kobe

In accordance with section 328B of the *Corporations Act 2001* (Cth), I, Bill Kyriacou, being a member of Dropsuite Limited ACN 008 021 118 (Company) hereby nominate RSM Australia Partners to be appointed as the auditor of the Company.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'BK' followed by a flourish.

Bill Kyriacou

Section E – Plan Rules Summary

SUMMARY OF TERMS

The following is a summary of the key terms of the Plan.

Aspect	Details
Purpose	<p>The Plan provides the opportunity for Eligible Persons to acquire Performance Rights which will convert into Shares subject to the occurrence of a specified Performance Condition prior to a set expiry date and thereby:</p> <ul style="list-style-type: none"> (a) attract quality Eligible Persons to the Company; (b) motivate and retain Eligible Persons of the Company; (c) create commonality of purpose between the Eligible Persons and the Company; (d) add wealth to all Shareholders by motivating the Eligible Persons; and (e) enable the Eligible Persons to share the rewards of the success of the Company.
Eligibility	<p>Eligible Persons (see the definition in the Glossary in Section C of this Explanatory Memorandum). Directors and other related parties may only participate in the Plan if prior shareholder approval is obtained in accordance with the ASX Listing Rules.</p>
Terms & Conditions	<p>The Performance Rights granted to an Eligible Person are subject to the Terms and Conditions.</p> <p>The Terms and Conditions includes terms in relation to eligibility, consideration, Performance Conditions and vesting period, exercise of Performance Rights, lapsing of Performance Right, information requirements, transfer of rights, security interests, dividend and voting rights, adjustment for rights issue, adjustment for bonus issue and adjustment for reconstruction.</p> <p>The Board has the power to amend or vary the Terms and Conditions for each offer made to an Eligible Person provided the Terms and Conditions comply with the Rules and all laws (including the Corporations Act and, as applicable, the ASX Listing Rules).</p>
Number of Performance Rights	<p>The number of Performance Rights to be offered to an Eligible Person will be at the discretion of the Board and shall not exceed 28,997,449. It is intended that the number of Performance Rights to be granted will be determined annually with regard to the Eligible Person's base remuneration package, relevant market practices and the relevant policies of the Company regarding their remuneration. The participation of any Director or other related party in the Plan is conditional upon the satisfaction of all regulatory requirements.</p>
Vesting	<p>Performance Rights to vest upon the satisfaction of a Performance Condition by the Expiry Date and once vested, the relevant percentage of Performance Rights will be converted into Shares. The Company will apply for official quotation of any</p>

	Shares issued upon conversion of Performance Rights issued under the Plan, in accordance with the ASX Listing Rules, and those issued shares will rank equally in all respects with the Shares.
Issue Price and Exercise Price	The issue and exercise price of the Performance Rights is nil.
Conversion ratio	When vested, each Performance Right will be converted into one (1) Share. If the Company is admitted to the official list of ASX at the time of conversion, the Company will apply for quotation for all Shares arising from a conversion of Performance Rights.
Vested/Lapse/ Communication	The Board determines if a Performance Condition is satisfied prior to the relevant Expiry Date and if vested, shall notify the Holder in writing that the Performance Rights have vested. If the Performance Condition is not satisfied by the Expiry Date thus the Performance Rights have lapsed, then the Board shall notify the Holder.
Rights of Holders	Performance Rights are personal and non-transferrable. The Holder has no legal or equitable interest in a Share by virtue of acquiring a Performance Right. Performance Rights are unquoted. Holders are not entitled to vote or receive any dividends paid by the Company nor can they participate in any new issues of capital offered to Shareholders during the currency of the Performance Rights. Holders are prohibited from granting a Security Interest over the Performance Rights.
Ceasing to be an Eligible Person	If employment ceases before a Performance Condition has been satisfied, the Performance Rights subject to that Performance Condition lapses. Subject to the discretion of the Board, the foregoing does not apply in the following circumstances: (a) The minimum period of employment in a Performance Condition has been met; and (b) The Eligible Person's employment ceased due to death, disability, bona fide redundancy, bona fide retirement or other reason with the Board's approval.
Takeover/Major corporate transaction	In the event of a takeover or other major corporate transaction, the Board has the discretion whether to convert Performance Rights into Shares provided that, in the case of a change of control, the Board may only determine the Performance Rights convert to Shares if that change of control is triggered by a person who does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities of the Company.
Equity reconstruction	In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules (applying at that time) and in a manner which will not result in any additional benefits being conferred on a Holder which is not conferred on holders of Shares, but in all other respects the terms of conversion will remain unchanged.

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Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that a Holder has acted fraudulently or dishonestly or has breached his or her obligations to the Company, the Board may, among other things: (a) lapse any unvested Performance Rights of the Holder; (b) forfeit any vested Performance Rights; or (c) where Performance Rights have converted to Shares and those Shares sold, require the Holder to pay all or part of the net proceeds of the sale to the Company.
ASIC Class Order	the Company relies on ASIC order for relief allow a public company to issue shares without a prospectus, under certain circumstances, including compliant employee equity plans.

Section F – Terms of performance rights

Tranche	Performance Condition	Expiry Date
<p>500,000</p> <p>(25% of total Performance Rights Granted)</p>	<p>To be employed until 31 March 2024 (Hurdle 1a).</p> <p><i>IF Hurdle 1a is met THEN</i></p> <p>Share price to achieve a volume weighted average price of at least AUD\$0.29 for a minimum of a thirty (30) day period (Hurdle 1b), provided that Hurdle 1a has been achieved.</p> <p>Allocation Date: no later than 45 days after Hurdles 1a and 1b are achieved.</p>	<p>31 March 2026, with a further 12 months grace period at the discretion of the Board.</p>
<p>600,000</p> <p>(30% of total Performance Rights Granted)</p>	<p>To be employed until 31 March 2025 (Hurdle 2a).</p> <p><i>IF Hurdle 2a is met THEN</i></p> <p>Share price to achieve a volume weighted average price of at least AUD\$0.33 for a minimum of a thirty (30) day period (Hurdle 2b),</p> <p>provided that Hurdle 2a has been achieved.</p> <p>Allocation Date: no later than 45 days after Hurdles 2a and 2b are achieved.</p>	<p>31 March 2026, with a further plus 12 months grace period at the discretion of the Board.</p>
<p>900,000</p> <p>(45% of total Performance Rights Granted)</p>	<p>To be employed until 31 March 2026 (Hurdle 3a).</p> <p><i>IF Hurdle 3a is met THEN</i></p> <p>Share price to achieve a volume weighted average price of at least AUD\$0.42 for a minimum of a thirty (30) day period (Hurdle 3b)</p> <p>Allocation Date: no later than 45 days after Hurdles 3a and 3b are achieved.</p>	<p>31 March 2026, with a further 12 months grace period at the discretion of the Board.</p>
<p>2,000,000 (total number of Performance Rights under Resolution 4)</p>		

Other key terms and conditions of the Plan and Performance Rights

- Limitations: Performance Rights are personal and non-transferrable. Holders have no legal or equitable interest in a Share by virtue of acquiring a Performance Right. Performance Rights are unquoted. Holders of Performance Rights are not entitled to vote (except as otherwise required by law) or receive any dividend(s) paid by the Company. Performance Rights do not confer upon the holder any right to a return of capital (whether in a winding up, upon a reduction of capital or otherwise) or any right to participate in surplus profit or assets upon winding up of the Company.
- Ceasing to be an eligible person: If employment ceases before a Performance Condition has been satisfied, the Performance Rights subject to that Performance Condition lapse (subject to 'good leaver' provision).
- Conversion ratio: when vested, each Performance Right would be converted into one Share. The Company will apply for quotation for all converted Shares.
- Vested / Lapse / Communication: the Board determines if the Performance Conditions is satisfied prior to the relevant Expiry Date and if, shall notify the holder in writing that the Performance Rights have vested (**Vested Performance Rights**).
- Takeover / major corporate transaction: in the event of a takeover (or other major corporate transaction) the Board have the discretion whether to convert Performance Rights into Shares provided that, in the case of a change of control, the Board may only to determine the Performance Rights convert to Shares if that change of control is triggered by a person who does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities of the Company.
- Equity reconstruction: in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights shall be reconstructed (as appropriate) in accordance the ASX listing rules (applying at that time) and in manner which will not result in any additional benefits being conferred on a holder of a Performance Right which is not conferred on holder of Shares, but in all other respects the terms of conversion will remain unchanged.
- Participation in new issues: Performance Rights do not confer upon the holder any right to participate in new issues of securities such as bonus issues or entitlement issues.
- Applicable law: the terms of the Performance Rights are subject to and conditional upon applicable law including the Corporations Act and, while the Company is listed, the ASX Listing Rules.

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEST) on Saturday, 20 May 2023**, 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

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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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PHONE: 1300 288 664 (Within Australia)
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