



**Dropsuite Limited**

**ABN 91 008 021 118**

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**Notice of 2024 Annual General Meeting  
to be held on Tuesday, 21 May 2024**

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

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**NOTICE OF THE 2024 ANNUAL GENERAL MEETING TO BE HELD AT 11.00AM (AEST) ON  
TUESDAY, 21 MAY 2024 AT 477 COLLINS STREET MELBOURNE VIC 3000 AND VIA ZOOM  
WEBINAR**

TO BE VALID, FORMS OF PROXY FOR USE AT THE 2024 ANNUAL GENERAL MEETING MUST  
BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 11.00 AM (AEST) ON  
SUNDAY, 19 MAY 2024.

For personal use only

## 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 Tuesday, 21 May 2024 at 477 Collins Street, Melbourne VIC 3000 and via Zoom Webinar.

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The details of the Zoom facility are:

Join Zoom Meeting:

[https://us02web.zoom.us/webinar/register/WN\\_J7aAmi4XTRq-SwiPyr8OmA](https://us02web.zoom.us/webinar/register/WN_J7aAmi4XTRq-SwiPyr8OmA)

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.

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## 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 2023.

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 2023 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: Election of Director – Eric Martorano**

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

*"That, Mr Eric Martorano, a Director appointed as an additional Director and holding office until the next annual general meeting of the Company after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company, effective immediately."*

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

**Note:** This resolution will be decided by a poll. No voting exclusion applies in respect of this resolution.

#### 3. **Resolution 3: Re-election of Director – Bruce Tonkin**

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

*"That, Dr Bruce Tonkin, 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:** Dr Bruce Tonkin 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.

**4. Resolution 4: Adoption of Dropsuite 2024 Performance Rights Plan**

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

*"That, for the purposes of ASX Listing Rule 7.2 Exception 13 and for all other purposes, the shareholders approve the adoption of an employee incentive scheme, being the Dropsuite 2024 Performance Rights Plan (Plan), as described 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.

**5. Resolution 5: Non-Executive Director Remuneration Pool**

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 10.17, the Constitution, and for all other purposes, approval is given to increase the maximum aggregate annual directors' fees that may be payable collectively to the non-executive Directors of the Company by \$300,000 per annum, from \$300,000 per annum to \$600,000 per annum, as described 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.

**6. Resolution 6: Consolidation**

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 Section 254H of the Corporations Act and for all other purposes, with effect on and from the approval of this Resolution the issued capital of the Company be consolidated on the basis that every ten (10) fully paid ordinary shares are consolidated into one (1) fully paid ordinary share with convertible securities consolidated on the same basis, as described 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. No voting exclusion applies in respect of this resolution.

**By order of the Board**

**Kobe Li**  
**Company Secretary**



**Dated: 19 April 2024**

## 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; and
- Summary of the Plan in Section D.

### 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 11.00am (AEST) on Sunday, 19 May 2024, 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 Sunday, 19 May 2024:

**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**

The proxy voting restrictions described below apply in respect of Resolutions 1, 4 and 5. The proxy voting restrictions are in addition to any other voting prohibitions under the Corporations Act or voting exclusions under the Listing Rules applicable to the Resolutions, details of which are set out in the Explanatory Memorandum.

*Resolution 1*

The Remuneration Report identifies key management personnel for the year ended 31 December 2023. 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 2023 Remuneration Report, any other key management personnel whose remuneration details are included in the 2023 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 Chairman may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

*Resolutions 4 and 5*

The Remuneration Report identifies key management personnel for the year ended 31 December 2023. 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 2023 Remuneration Report, any other key management personnel whose remuneration details are included in the 2023 Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolutions 4 and/or 5 provided however that the Chairman may vote undirected proxies 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.

## Section B - Explanatory Memorandum

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### 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 Tuesday, 21 May 2024.

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 2023.

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 2023 Annual General Meeting were for adoption of the 2022 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 2023 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: Election of Director – Mr Eric Martorano**

The Constitution provides that a director appointed under Article 57(2) will hold office until the next annual general meeting of the Company when the Director may be elected but will not be taken into account in determining the number of Directors who must retire by rotation. Further, ASX Listing Rule 14.4 provides that a director appointed to fill a causal vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Eric Martorano was appointed to the Board as a Non-Executive Director on 1 January 2024.

Mr Martorano is a highly qualified executive with a deep experience in driving global growth strategy and go-to-market initiatives. He has worked for over 25 years with business customers and partners around the globe from small business through to enterprise customers. He is currently the Chief Revenue Officer (CRO) for Simplilearn, one of the world's leading online education providers, where he is responsible for sales, customer success, marketing, product, operations and delivery teams with full P&L responsibility for the company's global commercial business. He has previously held various leadership positions at Microsoft where he was ultimately General Manager of U.S. Channel Sales with responsibility for over \$17 billion of revenue. Eric has also held a range of leadership positions, including CEO and CRO, across several fast-growing technology businesses.

Eric holds an MBA from Pepperdine University and a bachelor's degree from California State University, Northridge and he has previously been nominated as CRN's 'Top 100 Executives' and '50 Most Influential Channel Chiefs'.

### **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 Eric Martorano abstaining) recommends that Shareholders vote **FOR** Resolution 2.

## **Resolution 3: Re-election of Director – Dr Bruce Tonkin**

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

Dr Bruce Tonkin is a Non-Executive Director who was appointed on 22 February 2017.

Dr Bruce Tonkin is currently Chief Operating Officer for the .au Domain Administration Limited, where he is responsible for operations of the .au (Australia) top level domain name. Prior to that he has been chief technology officer and chief strategy officer at Melbourne IT, where he was responsible for managing the development of the company's strategic and operating plans, strategic initiatives with major customers and suppliers, and managing evaluation of merger and acquisition opportunities. Bruce had been at Melbourne IT from 1999 until April 2017 and has gained more than 15 years of experience taking cloud-based services to global markets across the USA, Europe, and Asia for both SMBs and Enterprises. In that time annual revenue grew from \$15m to a peak of \$200m with offices in 10 countries, before the sale of its international business.

Bruce also served on the Board of ICANN (Internet Corporation of Assigned Names and Numbers) for 9 years. ICANN manages the global domain name and IP addressing system for the Internet.

### **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 3.

### **Directors' Recommendation**

The Board (Dr Bruce Tonkin abstaining) recommends that Shareholders vote **FOR** Resolution 3.

### **Resolutions 4 – Adoption of Dropsuite 2024 Performance Rights Plan**

The company seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 Exception 13 for approval of the Dropsuite 2024 Performance Rights Plan (**Plan**). Performance Rights under the Plan are proposed to be issued to employees to provide long-term incentives in line with the Company's strategic goals and performance targets.

### **Specific disclosure of information**

If Shareholders pass Resolution 4, the Company will be able to issue Performance Rights under the Plan to unrelated parties within 3 years of shareholder approval without using the placement capacity available to the Company under the ASX Listing Rules (provided no more than the maximum number of securities that may be issued under the Plan as approved by shareholders are issued) and without obtaining specific shareholder approval to issue those Performance Rights. If Resolution 4 is not passed by shareholders then the Board may still adopt the Plan as an incentive scheme of the Company, however any Performance Rights issued under the Plan in this circumstance will use the placement capacity available to the Company under the ASX Listing Rules.

Notwithstanding if shareholders pass, or do not pass, Resolution 4, any issues of securities to Directors and other related parties as described in ASX Listing Rule 10.14 would continue to require prior shareholder approval under Chapter 10 of the ASX Listing Rules.

ASX Listing Rule 7.2 Exception 13 requires that the following information be provided to shareholders in relation to the adoption of the Plan:

1. A summary of the terms of the Plan (included in section D).
2. Since the last shareholder approval for adoption of the Plan received at the 2021 AGM, the Company issued the following Performance Rights:

Date of Issuance	Number of Performance Rights
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26 May 2021	1,000,000
12 April 2022	11,400,000
19 July 2022	400,000
28 April 2023	9,025,000
26 May 2023	2,000,000
<b>Total</b>	<b>23,825,000</b>

3. The maximum number of equity securities proposed to be issued under the Plan is 34,804,604, which is approximately 5% of the Company's current issued share capital. The maximum number of equity securities proposed to be issued under the Plan does not take into account the issue of equity securities under the prior editions of the Plan approved by shareholders and the Company may accordingly issue up to 34,804,604 equity securities pursuant to the shareholder approval under Resolution 4.
4. A voting exclusion statement, which is set out below.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is eligible to participate in the employee incentive scheme 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. Further details are set out in the Notes.

#### **Directors' Recommendation**

Noting that the Directors are each Eligible Persons for the purposes of the Plan, the Board abstains from making a recommendation on Resolution 4. It is noted that the Directors and their associates will not be able to participate in the Plan without prior shareholder approval.

## Resolutions 5 – Non-Executive Director Remuneration Pool

The company seeks Shareholder approval for the purposes of ASX Listing Rule 10.17, the Constitution and for all other purposes, to increase the maximum aggregate directors' fees that may be paid by the Company to its non-executive Directors per annum (**Fee Pool**) by \$300,000, from \$300,000 per annum to \$600,000 per annum.

Under the ASX Listing Rules, the term "directors' fees" include committee fees, superannuation contributions and fees for which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive Directors with the approval of Shareholders in accordance with the ASX Listing Rule 10.11 or 10.14.

The Fee Pool is the maximum aggregate directors' fees that may be paid to non-executive Directors. This does not imply that the full amount, or a certain percentage, of the Fee Pool will be used.

The Directors are seeking shareholder approval to increase the Fee Pool for the following reasons:

- The Company will continue to review the size and composition of the Board. The increase in the Fee Pool will provide the Board with the ability to attract and appoint additional directors with the requisite skill and experience as appropriate; and
- The increase will ensure that the Company maintains the ability to pay non-executive Directors remuneration commensurate with market rates and as necessary to attract and retain non-executive Directors of the highest calibre.

The level of non-executive Director remuneration is reviewed periodically to ensure alignment with market rates. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the same industry and of a similar size and profitability of the Company, and having similar growth and risk profits, such that the increase to the Fee Pool is considered appropriate for the reasons set out above.

If Shareholders approve Resolution 5, the Fee Pool will be increased by \$300,000, from \$300,000 per annum to \$600,000 per annum. If Shareholders do not approve Resolution 5 then the Fee Pool will not be increased. The following information is provided in accordance with ASX Listing Rule 10.17:

- The amount of the increase of the Fee Pool is \$300,000 per annum.
- If Resolution 5 is passed, the maximum amount of directors' fees that may be paid to all non-executive Directors under the Fee Pool would be \$600,000 per annum.
- No securities were issued to non-executive Directors under ASX Listing Rule 10.11 or 10.14 with the approval of Shareholders at any time within the three year preceding the Notice and the Meeting.
- A voting exclusion statement as set out below applies to Resolution 5.

### Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a director of the entity (or, in the case of a trust, a director of the responsible entity of the trust) 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 5, subject to compliance with the Corporations Act. Further details are set out in the Notes.

#### **Directors' Recommendation**

As Resolution 5 is connected directly or indirectly with the remuneration of the Directors, the Board abstains from making a recommendation on Resolution 5.

#### **Resolutions 6 – Consolidation**

The company seeks Shareholder approval to consolidate the issued capital of the Company on a ten (10) for one (1) basis (**Consolidation**). The purpose of the Consolidation is for the Company to implement what the Board considers to be a more appropriate capital structure for an entity in the position of the Company and to provide a share price that is more appealing to a wider range of international investors including but not limited to North America.

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number. The performance rights on issue in the Company (being the only convertible securities of the Company) will be consolidated on the same basis as fully paid ordinary shares.

The details of the existing capital structure of the Company and the capital structure of the Company following completion of the Consolidation is set out in the table below:

<b>Class of security</b>	<b>Number pre-Consolidation</b>	<b>Number post-Consolidation</b>
Ordinary shares	696,092,092	69,609,210
Performance rights	18,990,000	1,899,000

*Note to table: all post-Consolidation figures are subject to rounding. All fractional entitlements arising from the Consolidation will be rounded up.*

Security holders are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and the officers of the Company and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation.

From the date of the Consolidation, all holding statements for previously held securities cease to have any effect other than as evidence of entitlement to a certain number of securities to be calculated on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to holders of securities. It is the responsibility of each security holder to check the number of securities held.

The Consolidation is proposed to take effect soon after Resolution 6 is passed in accordance with the timetable provided by ASX. The indicative timetable for the Consolidation is set out below:

Action	Date
The Company announces the Consolidation to ASX using an Appendix 3A.3. The Company sends out the Notice to Shareholders for the Meeting. The Meeting passes the necessary resolution approving the Consolidation effective on the date of the resolution (being the date of the Meeting). The Company announces the effective date of the Consolidation (being the date of the Meeting).	On or before 21 May 2024
Effective date of the Consolidation (being the date of the Meeting).	21 May 2024
Last day for trading pre-Consolidation.	22 May 2024
Unless otherwise determined by ASX, trading in post-Consolidation securities commences on a deferred settlement basis.	23 May 2024
Record date and last day for the Company to register transfers on a pre-Consolidation basis.	24 May 2024
First day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities that they hold.	27 May 2024
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities that they hold and to notify ASX that this has occurred *	31 May 2024

*\* note: this is the last possible date for the Company to complete this step. It is anticipated that the Company will complete this step shortly after the record date for the Consolidation and in any event prior to the last possible date specified in the table above.*

### Voting Exclusion Statement

No voting exclusion statement applies to this Resolution 6.

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 6.

### Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

## 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 Tuesday, 21 May 2024 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.

**Eligible Person** means a person who is eligible to participate in the Plan, being:

- (a) a permanent or part-time employee of the Company or any Subsidiary;
- (b) a director or secretary of the Company or any Subsidiary;
- (c) a contractor who is engaged by the Company or any Subsidiary; or
- (d) any other person who is determined by the Board to be an Eligible Person for the purposes of the Plan.

**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.

**Performance Right** means a performance right under the Plan.

**Plan** means the Dropsuite 2024 Performance Rights Plan.

**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.



## Section D – 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"> <li>(a) attract quality Eligible Persons to the Company;</li> <li>(b) motivate and retain Eligible Persons of the Company;</li> <li>(c) create commonality of purpose between the Eligible Persons and the Company;</li> <li>(d) add wealth to all Shareholders by motivating the Eligible Persons; and</li> <li>(e) enable the Eligible Persons to share the rewards of the success of the Company.</li> </ul>
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 34,804,604. 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>

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	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.

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.
Reliance	the Company relies on order for relief and the provisions of the Corporations Act allow a public company to issue Shares without a prospectus, under certain circumstances, including compliant employee equity plans.

Your proxy voting instruction must be received by **11.00am (AEST) on Sunday, 19 May 2024**, 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/#/loginsah> 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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

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+61 2 9698 5414 (Overseas)

