
DIGITALX LIMITED
ACN 009 575 035

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)
DATE: 21 November 2019
PLACE: The Blockchain Centre
Suite 1, Level 2
66 Kings Park Road
WEST Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm WST on 19 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

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

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR TOBY HICKS

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

"That, for the purpose of rule 9.1(e)(1) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Toby Hicks, a Director who was appointed as an additional Director on 10 July 2019, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER RUBINSTEIN

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

"That, for the purpose of rule 9.1(e)(2) of the Constitution and for all other purposes, Mr Peter Rubinstein, retires, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RATIFICATION OF SETTLEMENT SHARES

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 7.4 and for all other purposes, Shareholders ratify the issue of 5,368,443 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF PLACEMENT SHARES

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 7.4 and for all other purposes, Shareholders ratify the issue of 19,046,519 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF LEAD MANAGER OPTIONS

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 7.4 and for all other purposes, Shareholders ratify the issue of 2,768,382 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – RATIFICATION OF DIRECTOR PERFORMANCE RIGHTS – MR TOBY HICKS

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 7.4 and for all other purposes, Shareholders ratify the issue of 7,500,000 Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Hicks (or his nominee) or any of their associates (**Resolution 7 Excluded Party**).

However, the Company need not disregard a vote if:

- it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – RATIFICATION OF DIRECTOR OPTIONS – MR TOBY HICKS

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 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Unlisted Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Hicks (or his nominee) or any of their associates (**Resolution 8 Excluded Party**).

However, the Company need not disregard a vote if:

- it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – APPROVAL OF DIRECTOR PERFORMANCE RIGHTS – MR LEIGH TRAVERS

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 issue 9,000,000 Performance Rights to Mr Leigh Travers (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 – APPROVAL OF DIRECTOR PERFORMANCE RIGHTS – MR PETER RUBINSTEIN

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

“That, subject to the passing of Resolution 3, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Performance Rights to Mr Peter Rubinstein (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 – APPOINTMENT OF AUDITOR

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

"That, pursuant to section 327B of the Corporations Act and for all other purposes, approval is given for the appointment of BDO Audit (WA) Pty Ltd as auditor of the Company on the terms and conditions in the Explanatory Statement."

13. RESOLUTION 12 – ADOPTION OF EMPLOYEE SHARE PLAN

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 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled 'DigitalX Employee Share Plan' and for the issue of Shares under that Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 13 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

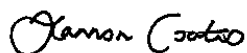
To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

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

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 22 October 2019

By order of the Board



**Shannon Coates
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 9 9322 1587.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.digitalx.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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 company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR TOBY HICKS

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors,

but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Mr Toby Hicks was appointed as an additional Director of the Company on 10 July 2019. Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Hicks, having been appointed by other Directors in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Hicks holds a Bachelor of Laws and a Bachelor of Business (Management) from the University of Notre Dame Australia and also studied at the prestigious University of Notre Dame in the United States. He has also completed a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia (now the Governance Institute) and is a Chartered Secretary.

Mr Hicks has a broad range of experience acting as a trusted adviser to a number of companies, both public and private, on all matters relating to Australian corporate compliance including capital raisings, backdoor listings, corporate governance, mergers and acquisition, shareholder meetings and general commercial matters. He is the contact (along with Roger Steinepreis) for the firm's relationship with the Singapore Chamber of Commerce (Western Australia).

Mr Hicks is a partner at Steinepreis Paganin, one of several law firms providing legal services to the Company, and is a former Governor of the University of Notre Dame Australia and a former member of the University's Finance and Audit Committee and School of Law (Fremantle) Advisory Board. In 2018, the University named the Toby Hicks Service to Student Community Award in honour of his contribution to the University over 23 years.

Independence

If elected, the Board considers Mr Hicks will be an independent director.

3.3 Board recommendation

The Board (other than Mr Hicks) supports the election of Mr Toby Hicks and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER RUBINSTEIN

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Pursuant to rule 9.1(e) of the Company's Constitution, the Directors who must retire by rotation (excluding Directors appointed to fill a casual vacancy, or appointed as an additional Director since the last annual general meeting or the Managing Director) are:

- (a) each director, other than a managing director, appointed as an addition to the existing directors or to fill a casual vacancy (pursuant to rule 9.1(d) of the Constitution);
- (b) excluding any director referred to in paragraph (a) above, and any managing director (or the first appointed managing director if there is more than one):
 - (i) one-third of the managing directors (rounded down, if necessary, to the nearest whole number); and
 - (ii) any other director who, if he does not retire, will at the conclusion of the conclusion of the meeting have been in office for 3 or more years and for 3 or more AGMs since he or she was last elected to office.

The Director or Directors who must retire at an annual general meeting are those who have been longest in office since their last election but, as between persons who were last elected as Directors on the same day, those to retire must be determined by agreement among themselves or, in the absence of agreement, by lot.

Mr Peter Rubinstein, who has served as a director since 15 September 2017, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Rubinstein has over 20 years' experience in early stage technology commercialisation through to public listings on the ASX. Moving from corporate law at Mallesons to in-house counsel and new projects manager at Montech the commercial arm of Monash University, he has had significant exposure to the creation, launch and management of a diverse range of technology companies including biotech, digital payments and renewable energy.

Mr Rubinstein is the Chairman of EasyPark ANZ an early adopter in the "Smart City" opportunities for digital parking and a director of ASX and Nasdaq listed biotech company Genetic Technologies Limited.

4.3 Independence

If elected, the Board does not consider Mr Peter Rubinstein will be an independent director as he is a nominee of one the of the Company's shareholders.

4.4 Board recommendation

The Board (other than Mr Rubinstein) supports the re-election of Mr Peter Rubinstein and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 - RATIFICATION OF SETTLEMENT SHARES

5.1 General

On 7 May 2019, the Company announced that it had entered into a settlement deed in relation to an originating application and statement of claim filed by a group of parties (**Settlement Deed**). Pursuant to the Settlement Deed, the Company provided full release from the parties' claims without any admission of liability by the Company. The claims were for a combined amount of approximately US\$1,833,077 plus damages.

Pursuant to the Settlement Deed, the Company was required to make cash payments for a total of A\$400,000 and issue fully paid ordinary shares for a total value of A\$350,000 in up to three tranches by no later than the date that is 6 weeks after the date of the Settlement Deed (**Settlement Shares**).

Resolution 4 seeks Shareholder ratification pursuant to ASX listing 7.4 for the following issues of Settlement Shares (**Ratification**):

Tranche	Date	Number of Shares
1	13 May 2019	1,895,453
2	27 May 2019	1,576,568
3	18 June 2019	1,896,422

The Settlement Shares were issued under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By ratifying the issue, the subject of Resolution 4, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

5.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

5.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Settlement Shares the subject of Resolution 4:

- (a) The following number of Shares were issued in three tranches at the corresponding deemed issue prices:

Number of Shares	Deemed Issue Price per Share
1,895,453	\$0.061551
1,576,568	\$0.074
1,896,422	\$0.061519

- (b) The Settlement Shares issued are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing fully paid ordinary Shares on issue;
- (c) The Settlement Shares were issued to a nominee pursuant to the Settlement Deed, whom was not a related party of the Company;
- (d) The Settlement Shares were issued in lieu of cash consideration and therefore no funds were raised by the issue of the Settlement Shares;
- (e) A voting exclusion statement has been included for the purposes of Resolution 4.

5.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 - RATIFICATION OF PLACEMENT SHARES

6.1 General

As announced on 16 April 2019, the Company undertook a Share Purchase Plan to raise A\$2 million (before costs) (**SPP**). The SPP was underwritten to A\$2 million by Patersons Securities Limited (**Patersons**) who acted as Lead Manager and Underwriter to the offer. Additionally, the Company appointed Patersons to facilitate an offer of New Shares to be issued through a potential Placement (**Placement**) to raise up to a further A\$2 million (before costs) from professional and sophisticated investors, following the close of the SPP.

The Shares issued under the SPP and Placement were issued at a 20% discount to the 5 day VWAP of the Company's Shares trading on ASX over the last 5 trading days on which Shares were traded immediately before the issue date of the Shares, being A\$0.0677289 per Share.

As announced on 15 May 2019, the SPP closed significantly oversubscribed, raising a total of A\$2,460,000 (before costs). Further, the Company elected to raise an additional A\$1,290,000 (before costs) under the Placement. Accordingly, 19,046,519 fully paid ordinary Shares were issued on 17 May 2019 pursuant to the Company's 15% annual placement capacity under ASX Listing Rule 7.1 (**Placement Shares**).

6.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 5.2 above.

6.3 ASX Listing Rule 7.4

A summary of ASX Listing Rule 7.4 is set out in section 5.3 above.

6.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Shares the subject of Resolution 5:

- (a) 19,046,519 Shares were issued;
- (b) the Placement Shares were issued at an issue price of A\$0.0677289 per Share;
- (c) the Placement Shares issued are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing fully paid ordinary Shares on issue;
- (d) the Placement Shares were issued to professional and sophisticated investors as determined by Patersons, none of whom are related parties of the Company;
- (e) A\$1,290,000 (before costs) was raised by the issue of the Placement Shares;
- (f) the Company has and will use funds raised pursuant to the Placement for:
 - (i) the evaluation of potential investment and acceleration opportunities; and
 - (ii) general working capital;
- (g) a voting exclusion statement has been included for the purposes of Resolution 5.

6.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

7. RESOLUTION 6 - RATIFICATION OF LEAD MANAGER OPTIONS

7.1 General

As noted in section 6.1 above, Patersons acted as Lead Manager to the Placement. Accordingly, 2,768,382 Unlisted Options, exercisable at A\$0.0847 and expiring 17 May 2022, were issued to a nominee of Patersons as part consideration for services provided in conjunction with the capital raising (**Lead Manager Options**). The Lead Manager Options were issued under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

7.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 5.2 above.

7.3 ASX Listing Rule 7.4

A summary of ASX Listing Rule 7.4 is set out in section 5.3 above.

7.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Lead Manager Options the subject of Resolution 6:

- (a) 2,768,382 Lead Manager Options were issued;
- (b) the Lead Manager Options were issued for nil cash consideration, as part consideration for capital raising services;
- (c) the Lead Manager Options were issued on the terms and conditions as set out in Schedule 1;
- (d) the Lead Manager Options were issued to Melshare Nominees Pty Ltd as trustee for the Accoldade Services trust, who is not a related party of the Company;
- (e) no funds were raised by the issue of the Lead Manager Options; and
- (f) a voting exclusion statement has been included for the purposes of Resolution 6.

7.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7 – RATIFICATION OF DIRECTOR PERFORMANCE RIGHTS – MR TOBY HICKS

8.1 General

As announced on the ASX Platform on 11 July 2019, Mr Toby Hicks was appointed a Director of the Company. Pursuant to his appointment agreement, a nominee of Mr Hicks was issued 7,500,000 Performance Rights under ASX Listing Rule 7.1 (**Director Performance Rights**).

8.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 5.2 above.

8.3 ASX Listing Rule 7.4

A summary of ASX Listing Rule 7.4 is set out in section 5.3 above.

8.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Director Performance Rights the subject of Resolution 7:

- (a) 7,500,000 Performance Rights were issued;
- (b) the Director Performance Rights were issued for nil consideration;

- (c) the Director Performance Rights were issued on the terms and conditions as set out in Schedule 2;
- (d) the Director Performance Rights were issued to Emboodhu Pty Ltd as Trustee for TA and EL Hicks Family Trust, a nominee of Mr Hicks pursuant to his appointment agreement;
- (e) no funds were raised pursuant to the issue of the Director Performance Rights; and

8.5 Board recommendation

The Board (other than Mr Hicks) recommends that Shareholders vote in favour of Resolution 7.

9. RESOLUTION 8 – RATIFICATION DIRECTOR OPTIONS – MR TOBY HICKS

9.1 General

As noted in section 8.1 above, and announced to ASX on 11 July 2019, Mr Toby Hicks was appointed a Director of the Company. Pursuant to his appointment agreement a nominee of Mr Hicks was issued 2,500,000 Unlisted Options under ASX Listing Rule 7.1 (**Director Options**).

9.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 5.2 above.

9.3 ASX Listing Rule 7.4

A summary of ASX Listing Rule 7.4 is set out in section 5.3 above.

9.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Director Options the subject of Resolution 8:

- (a) 2,500,000 Director Options were issued;
- (b) the Director Options were issued for nil consideration;
- (c) the Director Options were issued on the terms and conditions as set out in Schedule 3;
- (d) the Director Options were issued to Emboodhu Pty Ltd as Trustee for TA and EL Hicks Family Trust, a nominee of Mr Hicks; and
- (e) no funds were raised pursuant to the issue of the Director Options.

9.5 Board recommendation

The Board (other than Mr Hicks) recommends that Shareholders vote in favour of Resolution 8.

10. RESOLUTIONS 9 AND 10 – APPROVAL OF DIRECTOR PERFORMANCE RIGHTS TO DIRECTORS

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 9,000,000 Performance Rights to Executive Director, Mr Leigh Travers (or his nominee) and 3,000,000 Performance Rights to Mr Peter Rubinstein (or his nominee), a Non-Executive Director of the Company pursuant to the Company's Performance Rights and Options Plan (**Performance Rights Plan**) and on the terms and conditions set out below. The Performance Rights are to be issued under the Performance Rights Plan, which was approved by Shareholders at the Company's annual general meeting held on 23 November 2017.

10.2 Resolution 9

Resolution 9 seeks Shareholder approval for the grant of the Performance Rights to Mr Travers (or his nominee).

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Travers is a related party of the Company by virtue of being a Director.

Directors, Toby Hicks and Peter Rubinstein have considered the performance of Mr Travers as the Company's only Executive Director responsible for the management of the Company's business units and consider that the issue of the Performance Rights and the vesting hurdles established for those Performance Rights represent a reasonable form of potential remuneration for Mr Travers in a way that links his executive performance with the overall performance of the Company to be reflected in the Company's Share price, which aligns his remuneration to the interests of Shareholders. Accordingly, Messrs Hicks and Rubinstein consider this to reflect reasonable remuneration for Mr Travers.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the issue of the Performance Rights involves the issue of securities under an employee incentive scheme to a Director of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required unless an exception applies.

10.3 Resolution 10

A summary of the requirements of the Corporations Act and the ASX Listing Rules is set out in Section 10.2 above.

Directors, Toby Hicks and Leigh Travers have considered the role of the Non-Executive Directors of the Company moving forward, and consider that the offering of these Performance Rights to Mr Rubinstein represent the best method of preserving cash where the cash fees payable to Non-Executive Directors have recently been reduced, while also aligning the interests of Mr Rubinstein as a Non-Executive Director with the interests of Shareholders. Accordingly, Messrs Hicks and Travers consider this to reflect reasonable remuneration for Mr Rubinstein.

10.4 Technical Information for Resolutions 9 and 10

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights under Resolutions 9 and 10:

- (a) the related parties are Mr Travers (Resolution 9) and Mr Rubinstein (Resolution 10) and they are related parties by virtue of being Directors;
- (b) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be granted are as follows:
 - (i) Resolution 9 – 9,000,000 Performance Rights; and
 - (ii) Resolution 10 – 3,000,000 Performance Rights;
- (c) the Performance Rights under Resolutions 9 and 10 will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (d) the Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) since it was adopted by Shareholders at the Company's annual general meeting on 23 November 2017, only Mr Travers has received Performance Rights under the Plan. He received 9,000,000 Performance Rights under the Performance Rights Plan after the 2018 Annual General Meeting;
- (f) no loan will be provided for the issue of the Performance Rights
- (g) all Directors, being Mr Hicks, Mr Travers and Mr Rubinstein are entitled to participate in the Plan;
- (h) a summary of the terms and conditions of the Performance Rights and the pricing methodology is set out in Schedule 4; and

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Performance Rights under Resolutions 9 and 10 as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of the Performance Rights under Resolutions 9 and 10 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 11 - APPOINTMENT OF AUDITOR

11.1 General

Under section 327B of the Corporations Act, the Company in a general meeting may appoint an auditor at a company's annual general meeting to fill a vacancy.

Grant Thornton has given the Company an indication that it intends to apply to ASIC to resign as the Company's auditor with effect from the close of the Meeting, and therefore the Company is required to appoint a new auditor.

Resolution 11 seeks approval for the appointment of BDO Audit (WA) Pty Ltd (**BDO**) as the new auditor of the Company. As required by the Corporations Act, a nomination for BDO to be appointed as the auditor of the Company has been received from a member. A copy of the nomination of BDO as auditors is set out at Schedule 7.

BDO has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act, subject to ASIC consent for Grant Thornton to resign as auditor and shareholder approval of this resolution.

If Resolutions 11 is passed, the appointment of BDO as the Company's auditor will take effect at the close of this Meeting, or such later date as ASIC provides its consent.

11.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 11.

12. RESOLUTION 12 – ADOPTION OF EMPLOYEE SHARE PLAN

12.1 General

Resolution 12 seeks Shareholders approval for the adoption of the DigitalX Employee Share Plan (**Employee Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)). The Company considers that the adoption of the Employee Share Plan provides the opportunity for the Company to remunerate and incentivise eligible employees (as defined under the Employee Share Plan) by offering them equity in the Company as part of their remuneration from the Company.

However, any issues of Shares under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time before any Shares can be issued.

12.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 5.2 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Plan is the issue of Shares pursuant to the Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

A summary of the key terms and conditions of the Plan is set out in Schedule 5. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

12.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 12.

13. RESOLUTION 13 – REPLACEMENT OF CONSTITUTION

13.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 13 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2001.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Constitution to that adopted in 2014;

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 1587). Shareholders are invited to contact the Company if they have any queries or concerns.

13.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the

Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Rotation of Directors (clause 14.2)

The Proposed Constitution amends the provision relating to the rotation of Directors at the Company's Annual General Meeting each year to align with the Company's obligations under the Listing Rules and to prevent certain Directors needing to be re-elected within the three year period permitted by the Listing Rules just to comply with the Company's Constitution.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 13.

14. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

14.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of A\$15,347,286 (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: DCC).

If Shareholders approve Resolution 14, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 14 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 14 for it to be passed.

14.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 14:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 3 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	A\$0.0145 50% decrease in Issue Price	A\$0.029 Issue Price	A\$0.044 50% increase in Issue Price
529,216,785 (Current Variable A)	Shares issued - 10% voting dilution	52,921,679	52,921,679	52,921,679
	Funds raised	\$767,364	\$1,534,729	\$2,302,093
793,825,178 (50% increase in Variable A)	Shares issued - 10% voting dilution	79,382,518	79,382,518	79,382,518
	Funds raised	\$1,151,047	\$ 2,302,093	\$3,453,140
1,058,433,570 (100% increase in Variable A)	Shares issued - 10% voting dilution	105,843,357	,843,357	105,843,357
	Funds raised	\$1,534,729	\$ 3,069,457	\$4,604,186

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 529,216,785 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 3 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration with funds used for ongoing working capital or costs associated with any new acquisitions, investments within its funds management business or new undertakings that the Company identifies that are consistent with its existing business.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, the Company otherwise issued a total of 116,195,824 Equity Securities which represents approximately 20.8% of the total diluted number of Equity Securities on issue in the Company on issue 12 months prior to the date of the Meeting.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 6.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

14.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.

14.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 14.

GLOSSARY

10% Placement Capacity has the meaning given in Section 12.1.

A\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means DigitalX Limited (ACN 009 575 035).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Director Option means an Option granted pursuant to Resolution 8 with the terms and conditions set out in Schedule 3.

Director Performance Rights means Performance Rights granted pursuant to Resolution 7 with the terms and conditions set out in Schedule 2.

Explanatory Statement means the explanatory statement accompanying the Notice.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager Options means an Option granted pursuant to Resolution 6 with the terms and conditions set out in Schedule 1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Options, as the context requires.

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

Plan means Employee Incentive Share Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – LEAD MANAGER OPTIONS TERMS AND CONDITIONS

The following terms and conditions apply to the Lead Manager Options:

- (a) Each Option entitles the holder to subscribe for one Ordinary Share upon exercise of the Option. The exercise price for each Option is A\$0.0847 (**Exercise Price**)
- (b) Subject to any vesting conditions, the Options are exercisable at any time on or from the date of issue until the Expiry Date, which is 3 years from the date of issue (**Exercise Period**).
- (c) The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by chequer or other means of payment acceptable to the Company.
- (d) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (e) Within 5 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 10 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Ordinary Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Ordinary Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Ordinary Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (e)(iv) for any reason is not effective to ensure that an offer for sale of the Ordinary Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Ordinary Shares does not require disclosure to investors.

- (f) Ordinary Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (g) If admitted to the official list of ASX at the time, the Issue will apply for quotation of the Ordinary Shares issued upon the exercise of the Options.
- (h) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (i) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (j) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (k) The Company will not apply for quotation of the Options on ASX.
- (l) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (m) Despite any other term, the Options may not be exercised if such exercise would cause the holder to breach the Corporations Act or the ASX Listing Rules (including, without limitation, Chapter 6 of the Corporations Act).

SCHEDULE 2 – DIRECTOR PERFORMANCE RIGHTS- MR TOBY HICKS

The Director Performance Rights are issued on the following terms and conditions:

- (a) **(Entitlement)** Each Performance Right entitles the holder (**Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Notice of satisfaction of Milestone)** The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Change of control)** Notwithstanding that the Milestone may not have been satisfied, where a Change of Control Event occurs, the Milestone is deemed to have been satisfied and each Performance Right shall convert immediately.

For the purpose of this clause, a **Change of Control Event** occurs where:

- (i) a person acquires a voting power (within the meaning of Section 610 of the *Corporations Act 2001* (Cth)) in more than 30% of the Shares in the Company; or
- (ii) any event (including a merger of the Company with another company) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Change of Control Event; or

- (iii) the individuals who constitute the directors of the Company as at the date of issue of the Performance Rights cease to form the majority of the Company's directors.
- (l) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

- (a) **(Milestone)** Subject to the Company Shares trading on ASX achieving a volume weighted average trading price of not less than A\$0.09 for not less than 15 consecutive trading days within three years from the date of issue, the Performance Rights will automatically be capable of conversion into Shares **(Milestone)**.
- (b) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company **(Conversion Notice)** within six months from the date of the achievement of the Milestone. No payment is required to be made for conversion of a Performance Right to a Share.
- (c) **(Lapse)** If the Milestone is not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (d) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (e) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 business days following the issue of the Share.
- (f) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

SCHEDULE 3 – DIRECTOR OPTIONS- MR TOBY HICKS

The following terms and conditions apply to the Director Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option will be A\$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 4 – PERFORMANCE RIGHTS – RESOLUTIONS 9 AND 10

The Performance Rights are issued on the following terms and conditions:

- (a) **(Entitlement)** Each Performance Right entitles the holder (**Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Notice of satisfaction of Milestone)** The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Change of control)** Notwithstanding that the Milestone may not have been satisfied, where a Change of Control Event occurs, the Milestone is deemed to have been satisfied and each Performance Right shall convert immediately.

For the purpose of this clause, a **Change of Control Event** occurs where:

- (i) a person acquires a voting power (within the meaning of Section 610 of the *Corporations Act 2001* (Cth)) in more than 30% of the Shares in the Company; or
- (ii) any event (including a merger of the Company with another company) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Change of Control Event.

- (l) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

- (m) **(Milestone)** Subject to the Company Shares trading on ASX achieving a volume weighted average trading price of not less than \$0.09 for not less than 15 consecutive trading days within three years from the date of issue, the Performance Rights will automatically be capable of conversion into Shares **(Milestone)**.
- (n) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company **(Conversion Notice)** within six months from the date of the achievement of the Milestone. No payment is required to be made for conversion of a Performance Right to a Share.
- (o) **(Lapse)** If the Milestone is not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (p) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (q) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 business days following the issue of the Share.
- (r) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

SCHEDULE 5 – SUMMARY OF TERMS OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (Participants).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the actual date of acceptance of the Shares offered under the Offer.
- (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
 - (i) the Loan will be interest free;
 - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan;

- (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
 - (ii) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.
- (h) **Sale of Shares to repay Loan:** A Loan shall become repayable in full where:
- (i) the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
 - (ii) the Participant suffers an event of insolvency;
 - (iii) the Participant breaches any condition of the Loan or the Plan; or
 - (iv) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
 - (v) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not

waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Plan.

- (vi) Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Plan.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.
- (j) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:
 - (i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
- (k) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (l) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (m) **Rights attaching to Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 6 – ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 10/12/18 Appendix 3B – 10/12/18	9,000,000	Performance Rights ²	Performance Rights issued to Director Mr Leigh Travers, as approved by Shareholders on 22 November 2018.	Nil cash consideration.	Performance Rights issued to Managing Director/CEO of the Company, as a long-term incentive, therefore no funds were raised from the issue. Current Value: A\$128,300
Issue – 10/12/18 Appendix 3B – 10/12/18	9,000,000	Unlisted options ^{3, 4, 5}	Unquoted options issued to Directors Messrs Peter Rubinstein and Xue Samuel Lee, as approved by Shareholders on 22 November 2018.	Nil cash consideration.	Options issued to Non-Executive Directors as a long-term incentive, therefore no funds were raised from the issue. Current Value: A\$113,000
Issue – 13/05/19 Appendix 3B – 13/05/19	1,895,453	Shares ⁶	The Gas Super Fund Pty Ltd, being a party to the Settlement Deed.	Nil cash consideration. Deemed issue price of A\$0.061551 per Share representing a 17.93% discount to the Market Price at the date of issue.	Shares were issued pursuant to a Settlement Deed and therefore no funds were raised as a result of the issue. Current Value: A\$54,968
Issue – 15/05/19 Appendix 3B – 15/05/19	36,321,122	Shares ⁶	Eligible Shareholders pursuant to Share Purchase Plan.	Shares were issued at A\$0.0677289 per Share, being a 10.88% discount to the market price.	Shares were issued under a Share Purchase Plan announced to ASX on 16 April 2019, raising a total of A\$2,460,000. Funds raised were applied towards the evaluation of potential investment and acceleration opportunities, and for general working capital of which the majority remains unexpended. Current Value: A\$1,053,312

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 17/05/19 Appendix 3B – 17/05/19	19,046,519	Shares ⁶	Professional and Sophisticated clients of Patersons Securities Limited pursuant to the Top-Up Placement.	Shares were issued at A\$0.0677289 per Share, being a 8.47% discount to the market price.	Shares were issued pursuant to a Top-Up Placement, announced to ASX on 16 April 2019 and 15 May 2019. Funds raised were applied towards the evaluation of potential investment and acceleration opportunities, and for general working capital of which the majority remains unexpended. Current Value: A\$552,349
Issue – 17/05/19 Appendix 3B – 17/05/19	2,768,382	Unlisted options ⁷	Melshare Nominees Pty Ltd C/- Accolade Services as nominee of Underwriter to Share Purchase Plan and Lead Manager to the Top-Up Placement.	Nil cash consideration.	Options issued as part consideration for services provided in conjunction with the capital raising, and therefore no funds were raised as a result of the issue. Current Value: A\$38,757
Issue – 27/05/19 Appendix 3B – 27/05/19	1,576,568	Shares ⁶	Ironside Capital Pty Ltd, being a party to the Settlement Deed.	Nil cash consideration. Deemed issue price of A\$0.074 per Share representing a 3.90% discount to the Market Price at the date of issue.	Shares were issued as second tranche of Shares issued pursuant to the Settlement Deed, and therefore no funds were raised as a result of the issue. Current Value: A\$45,720
Issue – 18/06/19 Appendix 3B – 18/06/19	1,896,422	Shares ⁶	Ironside Capital Pty Ltd, being a party to the Settlement Deed.	Nil cash consideration. Deemed issue price of A\$0.061519 per Share representing a 3.88% discount to the Market Price at the date of issue.	Shares were issued as third tranche of Shares issued pursuant to the Settlement Deed and therefore no funds were raised as a result of the issue. Current Value: A\$54,996

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 01/07/19 Appendix 3B – 01/07/19	24,691,358	Shares ⁶	Blockchain Global Ltd	Shares were issued at A\$0.0324 per Share, being a 37.69% discount to the market price.	Shares issued on conversion of unquoted options, raising a total of A\$800,000 of which the majority remains unexpended. Current Value: A\$716,049
Issue – 11/07/19 Appendix 3B – 11/07/19	7,500,000	Performance Rights ⁸	Performance Rights issued to Non-Executive Chairman, Mr Toby Hicks, as announced on 11 July 2019.	Nil cash consideration.	Performance Rights issued to Non-Executive Chairman, Mr Toby Hicks, as a long-term incentive, therefore no funds were raised from the issue. Current Value: A\$146,250
Issue – 11/07/19 Appendix 3B – 11/07/19	2,500,000	Unlisted Options ⁹	Unlisted options issued to Non-Executive Chairman, Mr Toby Hicks, as announced on 11 July 2019.	Nil cash consideration.	Options issued to Non-Executive Chairman, Mr Toby Hicks, as a long-term incentive, therefore no funds were raised from the issue. Current Value: A\$47,500

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 22 November 2018.
3. Unquoted Options, exercisable at \$0.22 on or before 10 December 2023. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 22 November 2018.
4. Unquoted Options, exercisable at \$0.25 on or before 10 December 2023. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 22 November 2018.
5. Unquoted Options, exercisable at \$0.30 on or before 10 December 2023. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 22 November 2018.
6. Fully paid ordinary shares in the capital of the Company, ASX Code: DCC (terms are set out in the Constitution).

7. Lead Manager Options, exercisable at \$0.0847 each on or before 17 May 2022. The full terms and conditions are as set out in Schedule 1 of this Notice.
8. The full terms and conditions of the Director Performance Rights issued to Mr Toby Hicks are as set out in Schedule 2 of this Notice.
9. Director Options, exercisable at \$0.10 on or before 30 June 2024. The full terms and conditions are as set out in Schedule 3 of this Notice.

SCHEDULE 7 – NOMINATION OF AUDITOR LETTER

7 October 2019

The Directors
DigitalX Limited
The Blockchain Centre
Suite 1, Level 2
66 Kings Park Road
WEST PERTH WA 6005

Dear Directors

Auditor Nomination

For the purpose of section 328B(3) of the Corporations Act 2001 (Cth), in its capacity as a Shareholder of DigitalX Limited, Leethal Pty Ltd nominates BDO Audit (WA) Pty Ltd as the Company's proposed new auditor, subject to ASIC giving its consent to the resignation of the Company's current auditor.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'LDL', followed by a large, stylized loop.

Director
Leethal Pty Ltd

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00am (WST)**
Tuesday, 19 November 2019

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

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

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 132938

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of DigitalX Ltd hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of DigitalX Ltd to be held at The Blockchain Centre, Suite 1, Level 2, 66 Kings Park Road, West Perth, Western Australia on Thursday, 21 November 2019 at 10.00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 7, 8, 9, 10 and 12 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 7, 8, 9, 10 and 12 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 7, 8, 9, 10 and 12 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	☐	☐	☐	10	Approval of Director Performance Rights - Mr Peter Rubinstein	☐	☐	☐
2	Election of Director - Mr Toby Hicks	☐	☐	☐	11	Appointment of Auditor	☐	☐	☐
3	Re-election of Director - Mr Peter Rubinstein	☐	☐	☐	12	Adoption of Employee Share Plan	☐	☐	☐
4	Ratification of Settlement Shares	☐	☐	☐	13	Replacement of Constitution	☐	☐	☐
5	Ratification of Placement Shares	☐	☐	☐	14	Approval of 10% Placement Capacity	☐	☐	☐
6	Ratification of Lead Manager Options	☐	☐	☐					
7	Ratification of Director Performance Rights - Mr Toby Hicks	☐	☐	☐					
8	Ratification of Director Options - Mr Toby Hicks	☐	☐	☐					
9	Approval of Director Performance Rights - Mr Leigh Travers	☐	☐	☐					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

DCC

2 5 5 2 3 5 A



Computershare

