
DIGITAL CC LIMITED

ACN 009 575 035

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)

DATE: Thursday 9 April 2015

PLACE: Seminar Room 4
Technology Park Function Centre
2 Brodie Hall Drive
Bentley, Western Australia

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 2000.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am (WST) on Thursday 9 April 2015 at:

Seminar Room 4
Technology Park Function Centre
2 Brodie Hall Drive
Bentley, Western Australia

Your vote is important

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

Voting eligibility

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 Tuesday 7 April 2015.

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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – SELECTIVE SHARE BUY-BACK

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

“That, for the purposes of Section 257D(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to selectively buy-back and cancel 8,276,465 Shares and to cancel 2,495,013 Class A Performance Rights and 1,247,507 Class B Performance Rights currently held by Technology IQ Limited on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: Under the Corporations Act, a company may make a selective buy-back by a special resolution passed at a general meeting. Digital CC Management Pty Ltd, a subsidiary of the Company has entered into an agreement with Technology IQ Limited and Peer Nova Inc for, among other things, termination of the existing arrangements between the parties and the buy-back and cancellation of 8,276,465 Shares and the cancellation of 2,495,013 Class A Performance Rights and 1,247,507 Class B Performance Rights held by Technology IQ Limited. The agreement is conditional on obtaining a special resolution of Shareholders to approve the buy-back. Please refer to the Explanatory Statement for details.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person whose Shares are proposed to be bought back, any person who holds a performance right that is the subject of the approval, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by a 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.

2. RESOLUTION 2 – ADOPTION OF INCENTIVE OPTION SCHEME

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 Digital CC Limited Incentive Option Scheme and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and 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.

However, 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.

DATED: 4 MARCH 2015

BY ORDER OF THE BOARD



**RACHEL JELLEFF
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00am (WST) on Thursday 9 April 2015 at Seminar Room 4, Technology Park Function Centre, 2 Brodie Hall Drive, Bentley, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. RESOLUTION 1 – SELECTIVE SHARE BUY-BACK

1.1 Background to proposed selective Share buy-back

The Company was re-admitted to the official list of ASX on 12 June 2014 by way of a backdoor listing following the acquisition by the Company of all of the shares in Digital CC Holdings Pty Ltd (ACN 167 754 725) (**Digital**).

On 6 June 2014, the Company issued the following securities to Technology IQ Limited, a company based in the United Kingdom, as consideration for Technology IQ's interest in Digital:

- (a) 12,414,698 fully paid ordinary shares in the capital of the Company;
- (b) 2,495,013 Class A Performance Rights;
- (c) 1,247,507 Class B Performance Rights; and
- (d) 1,663,342 Vendor Options,

(together, the **Consideration Securities**).

Technology IQ held approximately 15% of the shares on issue in Digital prior to the acquisition of Digital by the Company.

The Consideration Securities are subject to escrow for 24 months commencing on the date on which the Company's securities were reinstated to quotation by ASX (i.e. until 16 June 2016) pursuant to a restriction agreement between the Company, Technology IQ as holder and Mr Emmanuel Abiodun as controller.

On 18 March 2014, Digital CC Management Pty Ltd (now a wholly owned subsidiary of the Company) (**DCC Management**) entered into a bitcoin mining agreement with Technology IQ (**CloudHashing Agreement**) pursuant to which DCC Management may, from time to time, enter into contracts with Technology IQ for the purchase of hashing power and the provision of hosting facilities in consideration for payments to be made by the Company to Technology IQ.

Technology IQ originally received its interest in Digital as an inducement to it entering into the CloudHashing Agreement, and subsequently became a shareholder of the Company by virtue of its shareholding in Digital.

On 8 September 2014, the Company announced that it had leased approximately 11% of its first generation bitcoin mining hardware (**Hardware**) to PeerNova, Inc (**PeerNova**) for 12 months in consideration for PeerNova paying a lease fee to the Company of US\$460,000, all of which was paid in advance.

The Company, Digital and PeerNova have now agreed that it is in their mutual interests to terminate the CloudHashing Agreement and to release one another from the ongoing obligations under that CloudHashing Agreement, and on 29 January 2015, the parties entered into the Termination Agreement with the following key terms:

- (a) the parties agree to terminate the CloudHashing Agreement and release one another from the ongoing obligations under that agreement;
- (b) PeerNova agrees to the buy-back and cancellation of 8,276,465 Shares, and the cancellation of 2,495,013 Class A Performance Rights and 1,247,507 Class B Performance Rights;
- (c) the Company agrees to transfer to PeerNova the Hardware which is currently leased to Peernova; and
- (d) the Termination Agreement is conditional on Shareholders approving the buy-back and cancellation.

The Share cancellation is being undertaken by way of a share buy-back pursuant to Section 257D of the Corporations Act. The Class A Performance Rights and Class B Performance Rights will be cancelled by virtue of the mutual agreement of the parties to do so under the Termination Agreement.

Resolution 1 therefore seeks the approval of Shareholders to enable the Company to buy-back and cancel the Shares and to cancel the Class A Performance Rights and Class B Performance Rights held by Technology IQ.

1.2 ASX Waiver

Because the Shares, Class A Performance Rights and Class B Performance Rights are all subject to an ASX imposed restriction agreement, the Company has been required to seek a waiver from ASX from ASX Listing Rule 9.7 to enable the Shares, Class A Performance Rights and Class B Performance Rights to be released from escrow for the purpose of the cancellation.

On 8 January 2015, ASX provided written confirmation of the grant of the waiver. The waiver has been granted subject to:

- (a) Shareholders approving a selective capital reduction in accordance with section 256C of the Corporations Act;
- (b) a new restriction agreement being entered into in relation to the balance of the restricted Shares and Vendor Options held by Technology IQ following the cancellation, with those securities remaining subject to escrow for the remainder of the 24 month escrow period;
- (c) a copy of the restriction agreement being given to ASX;
- (d) the Company instructing its share registry to immediately reinstate a holding lock on restricted securities for the balance of the escrow period, ending 16 June 2016 and not to remove the holding lock without ASX's prior written consent; and
- (e) the Company making an appropriate announcement to the market advising of the waiver and the terms upon which it was granted.

The Company has determined that the appropriate method for completing the transaction is as a buy-back under Section 257D of the Corporations Act. The Buy-Back will operate in the same manner as a selective capital reduction in that the interest of Technology IQ in the Shares and Class B Performance Rights will be cancelled. The effect of the Buy-Back will be the same as if the Company had undertaken a selective capital reduction and therefore remains consistent with the waiver granted by ASX.

Following completion of the Buy-Back and the cancellation of the Class A Performance Rights and Class B Performance Rights held by Technology IQ, Technology IQ will hold 4,138,233 Shares and 1,663,342 Vendor Options. The Company, Technology IQ and PeerNova have entered into a new restriction agreement in relation to those securities.

1.3 Corporations Act and ASIC Regulatory Guide

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the company's insolvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

In particular, Section 257A of the Corporations Act requires that a company may buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

The deemed consideration being paid for the buy-back of the Shares is the transfer to PeerNova of the Hardware previously leased to PeerNova which was the subject of the Company's announcement to ASX dated 8 September 2014 and the agreement of PeerNova to terminate and release the Company under the CloudHashing Agreement. The Hardware to be transferred to PeerNova is the Company's first generation Bitcoin mining hardware purchased by the Company following its initial listing on ASX in June 2014. At the time of leasing the mining hardware to PeerNova in September 2014, the Hardware represented 11% of the Company's Bitcoin mining capacity. The Company has since acquired additional mining hardware utilising the latest technologies and the bitcoin network hashrate has grown substantially, making the Hardware insignificant to the Company.

Pursuant to Section 257D(1) of the Corporations Act, a share buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or
- (b) a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to Section 257D(2) of the Corporations Act, the Company must include with this Notice of Meeting a statement setting out all information known to the Company that is material to the decision on how to vote on Resolution 1. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company has previously disclosed the information to Shareholders.

Section 257H(3) provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below.

1.4 Details of the Buy-Back

Pursuant to and in accordance with Section 257D(2) of the Corporations Act and ASIC Regulatory Guide 110, the following information is provided in relation to the Buy-Back:

- (a) as at the date of this Notice, the Company has 168,772,977 Shares on issue (including all escrowed Shares);
- (b) the number of Shares subject to the Buy-Back is 8,276,465 or 4.9% of all Shares in the Company (including the escrowed Shares) together with the 2,495,013 Class A Performance Rights and 1,247,507 Class B Performance Rights which will also be cancelled;
- (c) no cash consideration will be paid by the Company under the Buy-Back. Instead, the Company will transfer ownership of the Hardware previously leased to PeerNova to PeerNova. The Hardware was leased to PeerNova in early September 2014 for a period of 12 months at the rate of approximately US\$38,333 per month paid up at the commencement of the lease;
- (d) the reasons for the Company undertaking the Buy-Back are:
 - (i) the Buy-Back provides the part consideration for the termination of the CloudHashing Agreement with PeerNova and is a means by which the Company can extricate itself from the CloudHashing Agreement; and
 - (ii) the Buy-Back reduces the interest of PeerNova in the Company, an interest which was premised initially on the two entities working together for the mutual benefit of the parties;
- (e) the Company has not entered into any mining contracts with PeerNova under the CloudHashing Agreement, and has no ongoing contracts with PeerNova, so there is not expected to be any effect on the Company's Bitcoin mining activities caused by either the termination of the CloudHashing Agreement or the transfer of the Hardware. At present, the Company undertakes all of its own Bitcoin mining activities using its own hardware, and therefore it has no ongoing requirement to utilise the CloudHashing Agreement or utilise the Hardware that has agreed to be transferred to CloudHashing;

- (f) the Board formed the view that the buy-back is the most appropriate method to cancel some of Technology IQ's Shares because of the potential control effects that will result from the Buy-Back;
- (g) the Termination Agreement (and therefore the Buy-Back) is conditional upon the passing of Resolution 1;
- (h) Zhenya Tsvetnenko is a minority holder in PeerNova, but is not expected to receive any direct benefit from the execution of the Termination Agreement. Mr Tsvetnenko's relevant interest in the Company will increase as a result of the cancellation of Shares however as set out in paragraph (m) below. No other Director has an interest in the Buy-Back;
- (i) the Buy-Back will have no financial effect on cash reserves of the Company as the Buy-Back is for nil cash consideration;
- (j) notwithstanding (i) above, the sale of the Hardware will have the effect of reducing DDC Management's net assets given that it will no longer be able to include the Hardware as an asset. However, the directors consider that the reduction in net assets caused by the sale of the Hardware will be minimal given that the Hardware represents superseded hardware that was considered surplus to the Company's requirements when it was agreed to be leased to PeerNova in September 2014. In addition, under the Company's accounting policies, the Company accounts for depreciation on its hardware assets at the rate of 25% per year given its relatively short usable life in digital currency mining and the speed at which technology develops in this sphere.

Utilising the value of the lease, being US\$460,000 over the 12 months of the lease (representing an amount of US\$38,333 per month), the deemed value of the Hardware may be considered to be approximate to US\$229,998, representing six months' lease payments (being the balance of the lease outstanding at the date of the Meeting). However, the directors do not consider that this reflects the real value of the Hardware as a net asset, as the Company will be entitled to retain the cash funds already pre-paid by PeerNova under the lease, and the value of the Hardware at the conclusion of the lease term as determined by the Company will be substantially less than US\$229,998.

Furthermore with the lease falling under a financial lease classification, the gain from entering into such agreement has been fully recognised in accordance with the policy followed by the Company for outright sales.

Similarly, it is difficult to ascribe a value to the Company to the termination of the CloudHashing Agreement, however the Company considers, for the reasons outlined in Section 1.5 below, that the termination of the CloudHashing Agreement will have greater advantages to the Company than disadvantages. Given that the Company has not been utilising the arrangements contemplated by the CloudHashing Agreement, the Directors do not consider that there is any real cost to the Company of the termination of the CloudHashing Agreement and the release of any claims that the Company may have had under that CloudHashing Agreement;

- (k) the Hardware leased to Peernova was computer hardware that was surplus to the Company's requirements and represented hardware that had been superseded by the Company's purchase of new hardware

announced on 7 August 2014. Therefore, the sale of the Hardware has no negative effects on the Company or DCC Management;

- (l) the Board believes the advantages and disadvantages of the Buy-Back includes those set out in Section 1.5 below;
- (m) assuming the full Buy-Back occurs pursuant to Resolution 1, the effect on the voting power of the remaining Shareholders will be as follows (subject to rounding):

Security holder	Current Shares held	Current undiluted voting power (%)	Shares held upon completion of Buy-Back	Undiluted voting power upon completion of Buy-Back (%)
Eugenie 'Zhenya' Yurievich Tsvetnenko ¹	43,016,201	25.49%	43,016,201	26.80%
Other Security holders	125,756,776	74.51%	117,480,311	73.2%
Total all Shareholders	168,772,977	100%	160,496,512	100%

Notes

¹ Zhenya Tsvetnenko holds Shares indirectly through Lydian Enterprises Pty Ltd as trustee for the Lydian Trust, an entity controlled by Zhenya Tsvetnenko and in which he is the sole director and company secretary.

- (n) the Buy-back Shareholder is Technology IQ Limited, which is now a wholly owned subsidiary of PeerNova;
- (o) the highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of this Notice and the respective dates of those sales were:

Highest	\$0.18	18 December 2014
Lowest	\$0.072	13 February 2015
Last	\$0.09	3 March 2015

1.5 Advantages and disadvantages of the proposed selective buy-back

The Board believes that the Buy-Back as proposed by Resolution 1 will provide the following advantages to Shareholders:

- (a) the entry into the Termination Agreement (pursuant to which the Buy-Back will occur) is in the best interests of the Company's shareholders because it will relieve DCC Management of any further obligations under the CloudHashing Agreement and enable DCC Management to terminate an underperforming arrangement with a party whose interests are no longer aligned with the Company;
- (b) the Buy-Back of the Shares will ensure that those Shares are not sold on market at the end of their escrow period, which could have had a

negative effect on the Share price of the Company at that time by increasing the supply of the Company's Shares available on the market;

- (c) the Buy-Back will have no effect on the cash reserves of the Company and will not impact in any way on the Company's ability to pay its creditors;
- (d) there will be a lesser number of Shares on issue, consequently the ownership interest in the Company of each Shareholder will increase; and
- (e) the Buy-Back will assist in achieving a more efficient capital structure for the Company.

The Board believes the disadvantage to Shareholders of the Buy-Back is that the Company will no longer be able to receive any potential benefit from the CloudHashing Agreement following its termination, however the Directors note that the Company had not materially benefitted from the CloudHashing Agreement and so considers this disadvantage to be minimal. The Directors also note that the Buy-Back will see the interest of Director, Zhenya Tsvetnenko increase from 25.49% to 26.80%, however the Directors note that Shareholders approved a resolution at the general meeting of the Company held in May 2014 to enable Mr Tsvetnenko to acquire an interest in up to 61.48% of the Company and so don't consider that this marginal increase is inconsistent with Shareholders' previously stated approval.

1.6 The Company's current business plan

The Buy-Back is considered by the Directors to have minimal effect on the Company's business activities and plan going forward which remains the participation in the mining and trading of Bitcoin and other digital currencies as well as the ongoing development of the digital consumer products such as the DigitalX pocket. Details of the business operations, results and the ongoing business plan was set out and presented to by the Company to Shareholders at the Company's annual general meeting on 20 November 2014. A copy of the presentation is available from the ASX website at www.asx.com.au and is dated 20 November 2014.

1.7 Directors' recommendation

Each of the Directors is independent from and not an associate of Technology IQ and believes that the selective Buy-Back as proposed by Resolution 1 will not prejudice the Company's ability to pay its creditors. Each of the Directors recommends that Shareholders vote in favour of Resolution 1 and confirm that they intend to vote in favour of the Resolution.

1.8 Other material information

There is no further information material to the making of a decision by a Shareholder whether or not to approve Resolution 1 being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Pursuant to Section 257H(3) of the Corporations Act, Act, immediately after the registration of the transfer to the Company of the Shares bought back pursuant to Resolution 1, those Shares will be cancelled, which is proposed to occur contemporaneously with cancellation of the Class A Performance Rights and Class B Performance Rights the subject of Resolution 1.

2. RESOLUTION 2 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

Resolution 2 seeks Shareholders approval for the adoption of the employee incentive scheme titled “Digital CC Limited Incentive Option Scheme” (**Scheme**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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. 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 2 is passed, the Company will be able to issue Options under the Scheme 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 Options have previously been issued under the Scheme.

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

Any future issues of Options under the Scheme to a related party or a person whose relation 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.

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

3. ENQUIRIES

Shareholders are requested to contact Ms Rachel Jelleff, the Company Secretary on + 61 8 9389 2000 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means United States dollars.

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.

Buy-Back means the proposed selective buy-back of 8,276,465 Shares held by Technology IQ in accordance with section 257D of the Corporations Act.

Chair means the chair of the Meeting.

Class A Performance Rights means the performance rights granted by the Company which comprised part of the consideration for the Company acquiring 100% of the Shares in Digital, full terms of which are set out in section 12.6 of the Company's prospectus dated 12 May 2014.

Class B Performance Rights means the performance rights granted by the Company which comprised part of the consideration for the Company acquiring 100% of the Shares in Digital, full terms of which are set out in section 12.7 of the Company's prospectus dated 12 May 2014.

CloudHashing Agreement has the meaning given in section 1.1 of this Notice.

Company means Digital CC Limited (ACN 009 575 035).

Consideration Securities has the meaning given in section 1.1 of this Notice.

Constitution means the Company's constitution.

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

DCC Management has the meaning given in section 1.1 of this Notice.

Digital has the meaning given in section 1.1 of this Notice.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Hardware has the meaning given in section 1.1 of this Notice.

Option means an option to acquire a Share.

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

PeerNova has the meaning given in section 1.1 of this Notice.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Scheme has the meaning given in section 2 of this Notice.

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

Shareholder means a registered holder of a Share.

Technology IQ means Technology IQ Limited (Registered No. 08418155).

Termination Agreement means the conditional termination agreement between DCC Management, PeerNova and Technology IQ dated 29 January 2015.

Vendor Option means an option to acquire a Share exercisable at \$0.28 and expiring two years after completion of the acquisition by the Company of Digital.

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

SCHEDULE 1 – TERMS OF INCENTIVE OPTION SCHEME

The Board has adopted an Incentive Option Scheme to allow eligible participants to be granted Options to acquire Shares in the Company. The principle terms of the Scheme are summarised below.

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option granted under the Scheme will be granted for nil or no more than nominal cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Scheme will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Options granted under the Scheme may be subject to conditions on exercise as may be determined by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
 - (i) on its expiry date;
 - (ii) if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or
 - (iii) where the Eligible Participant ceases to be an Eligible Participant.
- (g) **Disposal of Options:** Options will not be transferable except to the extent the Scheme or any offer provides otherwise.
- (h) **Official Quotation:** Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options.
- (i) **Trigger Events:** The Company may permit Options to be exercised or transferred in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Disposal of Shares:** The Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued on exercise of Options, up to a maximum of seven (7) years from the date of grant of the Options.

- (k) **Participation in Rights Issues and Bonus Issues:** There are no participating 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.
- (l) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised in a manner consistent with the SX Listing Rules and the *Corporations Act 2001* (Cth) on the re-organisation of the capital of the Company.
- (m) **Limitations on Offers:** When making an offer that relies on Class Order 14/1000, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on Class Order 14/1000 at any time during the previous 3 year period under an employee incentive scheme covered by Class Order 14/1000 or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

PROXY FORM

DIGITAL CC LIMITED
ACN 009 575 035

GENERAL MEETING

I/We

Address:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am (WST), on Thursday 9 April 2015 at Seminar Room 4, Technology Park Function Centre, 2 Brodie Hall Drive, Bentley WA, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Selective share buy-back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of employee incentive scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail

in relation to this Proxy Form: YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Digital CC Limited, PO Box 7209, Cloisters Square WA 6850; or
 - (b) facsimile to the Company on facsimile number +61 8 9389 2099; or
 - (c) email to the Company at proxy@digitalbtc.com

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.