

# ASX Release



21 October 2024

## Notice of Annual General Meeting

DUG Technology Ltd (ASX: DUG) (“**DUG**” or the “**Company**”) is pleased to advise that the 2024 Annual General Meeting will be held on Tuesday 19 November 2024 at 1.00pm (AWST) at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005.

Attached are copies of the following documents in relation to the Annual General Meeting:

- Notice of Annual General Meeting 2024;
- Proxy Form; and
- Letter to Shareholders.

An email will be sent to shareholders with instructions on how to vote online and view copies of the Notice of Meeting. A printed copy of the Letter to Shareholders and Proxy Form will be dispatched by mail to shareholders (who have not elected to receive notices by email).

This ASX Announcement has been approved for release by the Board of DUG Technology Ltd.

Ends

### For more information:

DUG Technology Ltd  
T. +61 9287 4100  
DUG Investor Email: [investor@dug.com](mailto:investor@dug.com)  
DUG Investor Centre: [www.dug.com/investor-centre](http://www.dug.com/investor-centre)



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## About DUG

DUG is an ASX-listed technology company, headquartered in Australia, that specialises in analytical software development, big-data services and reliable, high-performance computing (HPC). DUG is built on a strong foundation of applied science and a history of converting research into practical, real-world solutions. DUG delivers innovative software products and cost-effective, cloud-based HPC as a service backed by bespoke support for technology onboarding. DUG's expertise in algorithm development and code optimisation enables clients to leverage big data and solve complex problems.

DUG delivers a comprehensive geoscience offering backed by over two decades of experience and a focus on R&D. DUG maximises the value of seismic data with customised services, software and HPC solutions enabled by innovative technology – including Multi-parameter FWI Imaging.

DUG is a global company with offices in Perth, London, Houston, Kuala Lumpur and Abu Dhabi, supporting a diverse industrial client-base. DUG designs, owns, and operates a network of some of the largest supercomputers on Earth. The company continues to invest and innovate at the forefront of software and HPC, working towards a climate-positive future.

To learn more, please visit [www.dug.com](http://www.dug.com).



**DUG TECHNOLOGY LTD**

**ACN 169 944 334**

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**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

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Date of Meeting: Tuesday 19 November 2024

Location: The Kings Park Room  
Quest Kings Park  
54 Kings Park Road  
WEST PERTH WA 6005

Time of Meeting: 1.00pm (AWST)

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

# DUG TECHNOLOGY LTD

ACN 169 944 334

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of **DUG Technology Ltd** ACN 169 944 334 (**DUG** or **the Company**) will be held on Tuesday 19 November 2024 at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 at 1.00pm (AWST).

This Notice of Annual General Meeting (**Notice**) incorporates, and should be read together with, the Explanatory Memorandum and the Proxy Form.

### ITEMS OF BUSINESS

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#### Item 1. Financial Statements and Reports

To receive and consider the Company's Annual Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2024.

**Note:** A Resolution of Shareholders is not required for this item of business.

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#### Item 2. Resolution 1 – Adoption of Remuneration Report

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

*“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the Company for the financial year ended 30 June 2024 be adopted.”*

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However please refer to the Explanatory Memorandum for an explanation of the consequences of 25% or more eligible votes being cast against this resolution.

#### **Voting exclusion statement:**

In accordance with the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report for the Company or a Closely Related Party of such a member.

However, under the Corporations Act, this voting exclusion does not apply to a vote if:

- it is cast by a person as a proxy appointed in writing by a person entitled to vote that specifies how the proxy is to vote on Resolution 1; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote as an undirected proxy that expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you intend to appoint a member of the KMP (such as one of the Directors) or a Closely Related Party of such a member as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the appropriate box in the Proxy Form for Resolution 1 (for

example, if you wish to vote for, against, or abstain from voting), or you can choose not to mark any of the boxes for Resolution 1 and give the Chairman your express authority to vote your undirected proxy as he sees fit even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP (in which case, the Chairman will vote in favour of Resolution 1).

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**Item 3. Resolution 2 – Re-election of Mr Francesco Sciarrone as a Director**

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

*“That, for the purposes of Listing Rule 14.4, and all other purposes, Mr Francesco Sciarrone, who retires by rotation in accordance with Clause 49 of the Constitution of the Company, and being eligible for re-election, be re-elected as a Director of the Company.”*

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**Item 4. Resolution 3 – Re-election of Dr David Monk as a Director**

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

*“That, for the purposes of Listing Rule 14.4 and Clause 49 of the Constitution and all other purposes, Dr David Monk, who was appointed by the Directors on 18 October 2024, until this Annual General Meeting, retires in accordance with the Company’s Constitution and having offered himself for re-election and being eligible, be re-elected as a Director of the Company.”*

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**Item 5. Resolution 4 – Approval to Issue Zero Exercise Price Options to Director – Dr Matthew Lamont (or his nominee)**

To consider and, if thought fit, pass 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 105,711 Zero Exercise Price Options to Dr Matthew Lamont (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, and any of their respective associates.

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

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

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, under that appointment, on this Resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - 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:

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

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**Item 6. Resolution 5 – Approval of potential termination benefits in relation to Zero Exercise Price Options granted to Director – Dr Matthew Lamont (or his nominee)**

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

*“Subject to the passing of Resolution 4, that, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.19 and for all other purposes, the potential termination benefits in relation to the 105,711 Zero Exercise Price Options to be granted to Dr Matthew Lamont (or his nominee) on the terms and conditions set out in the Explanatory Memorandum which may become payable to Dr Lamont (or his nominee), be approved.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any officer of the Company or any of its child entities who is entitled to participate in a termination benefit, and any of their respective associates.

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

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

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, under that appointment, on this Resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - 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:

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

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#### **Item 7. Resolution 6 – Approval of 10% Placement Facility**

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

*“That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of the issue of Equity Securities under Listing Rule 7.1A (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

**Note:** as at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 6 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 6.

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**Item 8. Resolution 7 – Ratification of Prior Issue of Tranche 1 Shares – Listing Rule 7.4**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 15,789,474 Tranche 1 Shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the Tranche 1 shares or an associate of that person or those persons.

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

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

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**Item 9. Resolution 8 – Approval for the issue of Tranche 2 Shares to a related party – Mr Francesco Sciarrone (or his nominee)**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 52,631 Tranche 2 Shares at an issue price of \$1.90 per Share to Mr Sciarrone (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr *Francesco Sciarrone* and any other person who will obtain a material benefit as a result of the issue of the securities (except benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or



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

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**Item 10. Resolution 9 – Approval for the issue of Tranche 2 Shares to a related party – Dr Matthew Lamont (or his nominee)**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 26,315 Tranche 2 Shares at an issue price of \$1.90 per Share to Dr Matthew Lamont (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Matthew Lamont and any other person who will obtain a material benefit as a result of the issue of the securities (except benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

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**Item 11. Resolution 10 – Approval for the issue of Tranche 2 Shares to a related party – Ms Louise Bower (or her nominee)**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,526 Tranche 2 Shares at an issue price of \$1.90 per Share to Ms Louise Bower (or her nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Louise Bower and any other person who will obtain a material benefit as a result of the issue of the securities (except benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

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**Item 12. Resolution 11 – Approval for the issue of Tranche 2 shares to a related party – Mr Mark Puzey (or his nominee)**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,526 Tranche 2 Shares at an issue price of \$1.90 per Share to Mr Mark Puzey (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Mark Puzey and any other person who will obtain a material benefit as a result of the issue of the securities (except benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**Item 13. Resolution 12 – Renewal of Proportional Takeover Provisions**

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

*“That, for the purpose of section 648G of the Corporations Act and for all other purposes, the proportional takeover provisions in rules 81 and 82 of the Constitution as set out in Annexure D of this Notice be renewed for a period of three years commencing on the date of this Meeting.”*

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**Item 14. Correction to Previous Issue of Zero Exercise Price Options to Director – Dr Matthew Lamont (or his nominee)**

To note that due to an administrative oversight, there was an error in the Terms and Conditions of the LTIP Executive Awards contained in Annexure A of the Company's ASX release dated 18 October 2023 and Annexure A of the Company's 2023 notice of meeting (see page 29) dated 23 October 2023, incorrectly providing that *“All Awards will be Equity Settled only and not Cash Settled”*. The 256,941 ZEPOs actually issued to Dr Matthew Lamont on 27 June 2024 were issued on the basis that *“All Awards may be Equity Settled or Cash Settled”*.

**Note:** A Resolution of Shareholders is not required for this item of business.

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**Item 15. Other Business**

To transact any other business that may be lawfully brought forward in accordance with the Constitution of the Company and the Corporations Act.

**BY ORDER OF THE BOARD**



**Jacqueline Barry**  
Company Secretary  
Dated: 21 October 2024

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## Voting and Proxies

### 1. Determination of Shareholding and Voting Entitlement

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 1.00pm (AWST) on Sunday, 17 November 2024.

Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlements to attend and vote at the Meeting.

### 2. Voting In-person During the Meeting

Eligible shareholders may attend the meeting and vote in person.

You may still attend the meeting and vote in person even if you have lodged a Proxy Form or appointed a proxy prior to the meeting. You will be provided with a poll voting card on the day. If you have previously submitted a Proxy Form and you vote during the meeting, your vote at the meeting will cancel your Proxy Form (unless you instruct DUG or Computershare otherwise) or suspend your proxy appointment while you are present at the meeting.

While you are not required to submit your Proxy Form if you attend the meeting in person, please bring your personalised Proxy Form with you as it will help you register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Computershare will need to verify your identity.

### 3. Important Voting Information

All Resolutions will be conducted by Poll.

The Company encourages all Shareholders to submit a proxy and to direct that proxy how to vote on each Resolution.

The Chairman of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution subject to any voting restrictions and exclusions. However, the Chairman of the Meeting is not permitted to vote an undirected proxy on Resolution 1 (Remuneration Report) unless the proxy expressly authorises the Chairman to exercise the proxy on such Resolution even if it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

In respect of Resolutions 1, 4 and 5, if you intend to appoint a member of the KMP (such as one of the Directors other than the Chairman) or a Closely Related Party of such a member as your proxy, please ensure that you direct them how to vote on that Resolution by marking the appropriate box for that Resolution in the Proxy Form.

If you intend to appoint the Chairman as your proxy for Resolutions 1, 4 and 5, you can direct the Chairman how to vote by marking the appropriate box for that Resolution in the Proxy Form. Alternatively, in relation to the Chairman only, you can choose not to mark a box and give the Chairman your express authority to exercise your undirected proxy even if the Resolution concerned is connected directly or indirectly with the remuneration of a member of the KMP (in which case, as outlined above, the Chairman will vote in favour of Resolutions 1, 4 and 5 subject to any voting restrictions and exclusions).

If the Directors or another KMP (other than the Chairman) or a Closely Related Party is your proxy, and you fail to provide a voting direction as outlined above in Resolutions 1,4 and 5, your vote will not be cast in respect of this Resolution.

#### 4. Proxies

A Shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on behalf of the Shareholder. Where the Shareholder is entitled to cast 2 or more votes, the Shareholder may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

A proxy need not be a Shareholder of the Company.

If an additional Proxy Form is required, the Company's share registry, Computershare Investor Services Pty Limited, will supply it on request. Telephone 1300 850 505 (toll free) from within Australia or +61 3 9415 4000 from overseas during business hours.

The Proxy Form contains important information and other instructions which you should read carefully.

Any instrument or proxy deposited or received by the Company in which the name of the appointee is not filled in will be deemed to be given in favour of the Chairman of the Meeting to which it relates.

Proxies given by corporate Shareholders must be executed in accordance with their constitution or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution of the Company to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit (subject to the restrictions and exclusions outlined under "**Important Voting Information**" above).

To be effective, the instrument appointing a proxy (and a power of attorney or other authority, if any, under which it is signed or a certified copy of the power of attorney or other authority) must be received by the Company not less than 48 hours prior to the Annual General Meeting, that is, **by 1.00pm (AWST) on Sunday 17 November 2024:**

- on-line by going to [www.investorvote.com.au](http://www.investorvote.com.au) and logging in using the control number found or by scanning the QR Code, found on the front of your Proxy Form, with your mobile device and inserting your SRN/HIN and postcode; or
- at the Company's share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia or by facsimile on fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- Intermediary online subscribers (Institutions/Custodians) may lodge their proxy instruction online by using [www.intermediaryonline.com](http://www.intermediaryonline.com).

Any revocations or proxies must be received at one of these places before commencement of the Meeting.

#### 5. Bodies Corporate

A Shareholder which is a body corporate and which is entitled to attend and vote at a Meeting of Shareholders of the Company may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at the meeting or in the capacity of a Shareholder's proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on that body corporate's behalf, all of the

powers that the body could exercise at a meeting or in voting on a resolution. Shareholders can download and fill out the 'Appointment of Corporate Representative' form from the Computershare website: <https://www-au.computershare.com/Investor/>.

The form is available by clicking on the 'Printable Forms' tab on the information menu.

To be effective, evidence of the appointment must be returned in the same manner and by the same time as specified for proxy appointments (above).

## 6. Definitions

Certain terms used in this Notice of Annual General Meeting and Explanatory Memorandum are defined in the "Definitions" section of the Explanatory Memorandum. Those defined terms also apply to the enclosed Proxy Form, unless the context requires otherwise.

The results of the voting on resolutions will be announced to the ASX promptly after the meeting.

## Questions

We invite shareholders to submit questions in advance of the meeting. If you wish to submit questions before the AGM, they must be received by DUG no later than **1.00pm (AWST) on Sunday 17 November 2024** by email to the Company Secretary at [investor@dug.com](mailto:investor@dug.com).

## DUG TECHNOLOGY LTD

ACN 169 944 334

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of DUG Technology Ltd ACN 169 944 334 (**DUG** or the **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held on Tuesday 19 November 2024 at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 at 1.00pm (AWST).

The Explanatory Memorandum is incorporated in, and forms part of, the accompanying Notice of Annual General Meeting. The purpose of this Explanatory Memorandum is to provide Shareholders with information relevant to the Resolutions to be put to Shareholders at the Annual General Meeting.

Certain terms used in this Explanatory Memorandum, the Notice of Meeting and the Proxy Form have the meaning give to them in the "Definitions" section located at the end of this Explanatory Memorandum unless the context requires otherwise.

Details of the items of business to be considered at the Annual General Meeting are set out below and in the Notice of Annual General Meeting.

Your Directors recommend that Shareholders carefully read this Explanatory Memorandum and the Notice of Annual General Meeting in full before making a decision in relation to any of the Resolutions. If Shareholders are in any doubt about what to do, they should consult their legal, financial or other professional adviser.

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#### Item 1. Financial Statements and Reports

The Company's Annual Report, for the period 1 July 2023 to 30 June 2024 is available on the Company's website at [www.dug.com](http://www.dug.com) and will be sent to Shareholders who have requested to receive a printed copy.

The Corporations Act requires that the Annual Report, Directors' Report and Auditor's Report be presented to the Meeting. Apart from the matters involving remuneration which are required to be voted upon, the Corporations Act does not require a vote of Shareholder at the Meeting on such reports or statements, however Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the Meeting.

The Annual Report and Directors' Report will be tabled and discussed at the Meeting and the Directors will be available to answer questions from Shareholders. In addition, and as required under section 250RA of the Corporations Act, a representative of the Company's auditors, Grant Thornton Audit Pty Ltd will be present to answer any questions about the conduct of the audit or the preparation and content of the Auditor's Report.

A Shareholder Resolution is not required in respect of this item of business.

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#### Item 2. Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires listed entities to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report for the Company is included in the Company's 2024 Annual Report.

Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If, at 2 consecutive annual general meetings of the Company, 25% or more of the votes cast on a resolution that the Remuneration Report be adopted are against the adoption of the Remuneration Report, the Company will be required to put to Shareholders a resolution at the second annual general meeting proposing the calling of an extraordinary general meeting to consider the election of Directors of the Company (known as a **spill resolution**).

If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (known as a **spill meeting**) within 90 days of the spill resolution. All of the Directors who were in office when the Remuneration Report (being, the report laid before the second annual general meeting) was approved by the Board (other than the Managing Director) will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose re-election as Directors is approved will remain Directors of the Company.

The Company's remuneration report for the financial year ended 30 June 2023 was adopted at the 2023 Annual General Meeting of the Company held on 23 November 2023 by more than 75% of the eligible votes cast.

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company's policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company. The Board has a policy of ensuring that remuneration paid to Directors and management is market competitive while at the same time aligned to the achievement of strategic objectives and the creation of value for Shareholders.

During this item of business, there will be opportunity for Shareholders at the Annual General Meeting to comment on and ask questions about the Remuneration Report.

Resolution 1 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution. However, please refer above for an explanation of the consequences of 25% or more of the eligible vote being cast against Resolution 1.

Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 1 in the Notice of Annual General Meeting.

#### **Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of Resolution 1.

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### **Item 3. Resolution 2 – Re-election of Mr Francesco Sciarrone as a Director**

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting

In accordance with Clause 49 of Company's Constitution, Mr Francesco Sciarrone retires by rotation and being eligible, submits himself for re-election at the Annual General Meeting as a Director.

Mr Sciarrone was appointed as a Director on 23 July 2015. Mr Sciarrone was also appointed Independent Non-Executive Chairman on 1 September 2022, and he Chairs the Remuneration and Nomination Committee and is a member of the Audit and Risk Committee.

Over the past 36 years, Mr Sciarrone has held various positions in investment banking and investment advice for both local and international companies, including senior management positions in the banking industry, funds management and corporate/private client financial advisory services.

Mr Sciarrone is the current Executive Chairman of Vantage Wealth Management.



### **Board Recommendation**

As Mr Sciarrone possesses highly relevant skills and experience, the Board, in the absence of Mr Sciarrone, recommends that Shareholders vote in favour of Resolution 2.

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#### **Item 4. Resolution 3 – Re-election of Dr David Monk as a Director**

ASX Listing Rule 14.4 provides that a director appointed as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company and ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Dr David Monk was appointed a director on 18 October 2024. In accordance with ASX Listing Rule 14.4 and Clause 49 of the Constitution, a director appointed to fill a casual vacancy must not hold office (without re-election) past the next annual general meeting.

Dr David Monk was appointed by the Directors pursuant to Clause 48 of the Constitution on 18 October 2024 and accordingly holds office until the date of this meeting, and being eligible, seeks re-election.

Dr Monk holds a PhD in Physics from Nottingham University in the UK and served as a director of geophysics and as a distinguished advisor at Apache Corporation, until his retirement in October 2019.

Dr Monk started his career on seismic crews in West Africa and has subsequently been involved in seismic processing and acquisition in most parts of the world. Throughout his career, he has retained an interest in developing innovative ways to acquire, process and utilise seismic data to improve final interpretation.

Author of more than 200 technical papers and several patents, he is currently involved in a number of geophysical companies and runs MonkGeo LLC, a geophysical consultancy company. He retired from Apache Corporation in 2019 as Apache's Distinguished Advisor in Geophysics. He was selected to deliver the SEG's Distinguished Instructor Short Course (DISC) for 2020. He currently serves as a technical advisor for several geophysical companies including ACTeQ (a seismic survey design software company where he was co-founder) and GTI (a seismic node manufacturer). Dr Monk is a director of his consultancy company MonkGeo LLC.

In accordance with ASX Principles and Recommendations, appropriate background checks were completed before Dr Monk was appointed. Prior to his appointment, the Board assessed the independence status of Dr Monk. During this assessment, because he has not been a current member of management (or has held a management position) and further that he is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement, the Board has determined Dr Monk to be independent.

### **Board Recommendation**

As Dr David Monk possesses highly relevant skills and experience, the Board, in the absence of Dr Monk, recommends that Shareholders vote in favour of Resolution 3.

**Item 5. Resolution 4 – Approval to Issue Zero Exercise Price Options to Director – Dr Matthew Lamont (or his nominee)**

**General**

Subject to Shareholder approval, the Company proposes to issue 105,711 Zero Exercise Price Options with an expiry date of 30 November 2039 (**ZEPOs**) to Dr Matthew Lamont, or his nominee, pursuant to the Company's Omnibus Long Term Incentive Plan (**LTIP**) which was approved by shareholders upon listing on the ASX in August 2020. The quantum of ZEPO's was determined utilising the Company's total remuneration framework, as approved by the Board.

Dr Lamont is employed as the Managing Director and has entered into an employment agreement with DUG. Details of Dr Lamont's remuneration and employment arrangements are as follows:

Term	Description
Remuneration and other benefits	Under the terms of his employment contract, Dr Lamont is entitled to receive annual fixed remuneration of A\$490,800 gross (exclusive of superannuation). Dr Lamont is also entitled to a car up to the lease value of A\$3,200 per month after tax (convertible to salary at employee's discretion). From 1 July 2023, Short-Term Incentives are payable up to 50% of Total Fixed Remuneration and Long-Term Incentives are payable up to 50% of Total Fixed Remuneration.
Termination and notice periods	Employment may be terminated by either party giving six months' notice. No additional payments are made on termination.
Restraints	For six months following termination of employment, Dr Lamont cannot solicit or work for any client of DUG, nor solicit any employee of DUG.

The table below discloses the number of shares and options granted, vested or lapsed during the year under the Company's long term incentive plan to Dr Matthew Lamont.

Shares											
	Year	Opening Balance	Shares Awarded				Lapsed & not Vested	Loan repayments		Closing Balance	Vested & Exercisable
			Shares Awarded	Award Date	Vesting Date	Issue Date		Shares sold to repay loans	Shares converted ordinary shares		
Dr Matthew Lamont	2024	576,457	-	N/A	N/A	N/A	27,950	-	162,885	385,622	376,305
	2023	576,457	-	N/A	N/A	N/A	-			576,457	539,190

Options										
	Balance at the start of the year	Options Granted as compensation	Vested		Exercised	Forfeited		Balance at the end of the year		
			Number	%		Number	%	Vested and exercisable	Unvested	
Dr Matthew Lamont	381,352	256,941	-	-	-	-	-	-	-	638,293

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The terms and conditions of the ZEPOs are set out in Annexure 'A' to this Explanatory Memorandum.

### Vesting Conditions

The ZEPOs will vest when a Vesting Notice in respect of that ZEPO is given (or deemed to be given) to Dr Lamont. A Vesting Notice in respect of the ZEPOs must be given by the Company when the relevant Vesting Condition(s) set out below have been satisfied or waived in accordance with the LTIP rules.

The ZEPOs will vest:

- (a) Provided that Dr Lamont remains continuously employed or engaged by a member of the Group at all times from the Grant Date of the Awards to 30 November 2027.
- (b) Tranche 1 – Total Shareholder Return (TSR) hurdle – 50% of total ZEPOs allocated.

### Performance hurdles:

TSR Performance Target	Proportion of Awards that satisfy the performance conditions
<ul style="list-style-type: none"> <li>▪ 2% outperformance and below</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<ul style="list-style-type: none"> <li>▪ In between</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata</li> </ul>
<ul style="list-style-type: none"> <li>▪ 6% outperformance</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% vesting</li> </ul>
<ul style="list-style-type: none"> <li>▪ &gt; 6% and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata and capped at 200%</li> </ul>

- Tranche 1 of the FY25 LTIP is subject to a market vesting condition against a relative TSR metric hurdle; specifically outperformance relative to the S&P ASX Small Ordinaries Index over a 12-month period. This condition is classified as a market condition under AASB 2, and its impact on expected vesting is included in the Fair Value calculation. This Fair Value is therefore multiplied by the total number of instruments issued to determine the expense. An independent external accounting firm has estimated the Fair Value of Tranche 1 Rights using a Monte Carlo simulation option pricing model.
- The opening share price will be the share price on the day the plan is approved.
- The closing share price will be the share price which is 12-month from the date of the opening share price.
- The Awards will be subject to a vesting period of three years from the grant date.

- (c) Tranche 2 – Return on Capital Employed (ROCE) hurdle – 50% of total ZEPOs allocated.

### Performance hurdles:

ROCE Performance Target (based on audited reports)	Proportion of Awards that satisfy the performance conditions
<ul style="list-style-type: none"> <li>▪ Less than 15%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<ul style="list-style-type: none"> <li>▪ From 15% to 24%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata</li> </ul>
<ul style="list-style-type: none"> <li>▪ 25%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% vesting</li> </ul>
<ul style="list-style-type: none"> <li>▪ &gt; 25% and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata (e.g. 30% is 20% above 25%, therefore, award will be 120%)</li> </ul>

- $ROCE = EBIT / \text{Capital Employed}$ , where  $\text{Capital Employed} = (\text{Opening Total Assets} - \text{Opening Current Liabilities}) + [(\text{Change in Total Assets} - \text{Change in Current Liabilities}) * \% \text{ of time new assets were operational}]$
- The Awards will be subject to a vesting period of three years from the grant date.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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 ZEPOs to Dr Lamont, under the LTIP, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as Dr Lamont is a Director, he is a related party of the Company.

It is the view of the Company that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the ZEPOs to Dr Lamont as the exception in section 211 of the Corporations Act applies. The ZEPOs are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

### ASX Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of its shareholders:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director (Listing Rule 10.14.2); and
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3).

Dr Lamont falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company. Accordingly, the Company is seeking Shareholder approval for the issue of the ZEPOs.

If Shareholders approve the issue of the ZEPOs pursuant to Listing Rule 10.14, the Company is not required to obtain Shareholder approval under Listing Rule 7.1, and as a result the issue of the ZEPOs will not count towards the Company's placement capacity.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the ZEPOs to Dr Lamont (or his nominee).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of ZEPOs to Dr Lamont (or his nominee) and the Company will need to consider whether an alternative incentive is to be offered.

## ASX Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the ZEPOs:

- (a) The ZEPOs will be issued under the LTIP to Dr Lamont (or his nominee).
- (b) Dr Lamont falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company.
- (c) The total number of ZEPOs proposed to be issued to Dr Lamont (or his nominee) is 105,711.
- (d) Details of Dr Lamont's remuneration package is set out at page 21 of the Annual Report FY24. In addition to this annual fixed remuneration, Dr Lamont is entitled to a short-term incentive of up to 50% of Total Fixed Remuneration and a long term incentive of up to 50% of Total Fixed Remuneration, subject to achieving performance hurdles. Dr Lamont's annual fixed remuneration (excluding share-based payments) for the current financial year:

Dr Matthew Lamont	Annual Base Salary and Fees (A\$)	Car allowance (A\$)	Superannuation (A\$)
FY23 (Actual)	490,800	72,456	23,898
FY24 (Actual)	490,800	72,456	27,399

Loan funded shares and ZEPOs have been previously offered to Dr Lamont under the LTIP. Details of the loan funded shares and ZEPOs are summarised in the table below:

Shares											
	Year	Opening Balance	Shares Awarded				Lapsed & not Vested	Loan repayments		Closing Balance	Vested & Exercisable
			Shares Awarded	Award Date	Vesting Date	Issue Date		Shares sold to repay loans	Shares converted ordinary shares		
Dr Matthew Lamont	2024	576,457	-	N/A	N/A	N/A	27,950	-	162,885	385,622	376,305
	2023	576,457	-	N/A	N/A	N/A	-			576,457	539,190

Options										
	Balance at the start of the year	Options Granted as compensation	Vested		Exercised	Forfeited		Balance at the end of the year		
			Number	%		Number	%	Vested and exercisable	Unvested	
Dr Matthew Lamont	381,352	256,941	-	-	-	-	-	-	-	638,293

- (e) All shares previously issued under the Company's employee incentive plan preceding the LTIP, were fully vested on admission of the Company to the ASX on 10 August 2020.

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- (f) The ZEPOs will be issued on the terms and conditions in Annexure 'A'.
  - (g) The Company considers that the issue of ZEPOs, rather than Shares, are a reasonable and appropriate form of incentive on the basis that:
    - (i) ZEPOs retain and reward Dr Lamont for the achievement of business objectives;
    - (ii) Shareholders can readily ascertain and understand the performance milestones which are required to be satisfied for the ZEPOs to vest and the number of shares to which they relate; and
    - (iii) the non-cash form of this benefit allows the Company to spend a greater proportion of its cash reserves on its operation than it would if alternative cash forms of remuneration were given.
  - (h) The value of the ZEPOs proposed to be granted to Dr Lamont and the pricing methodology is set out in Annexure 'B'.
  - (i) The ZEPOs will be issued to Dr Lamont as soon as practicable following the Meeting and this will, in any event, be no later than 3 years from the date of the meeting.
  - (j) The ZEPOs will be issued for nil cash consideration and will be provided as an incentive component to Dr Lamont's remuneration package.
  - (k) A summary of the material terms of the LTIP is set out in Annexure 'C'.
  - (l) No loan will be made to Dr Lamont (or his nominee) in respect to the issue of the ZEPOs.
  - (m) Details of any securities issued under the LTIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
  - (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
  - (o) A voting exclusion statements is included in this Notice.

#### **Board Recommendation**

The Board, in the absence of Dr Lamont recommends that Shareholders vote in favour of Resolution 4.

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### **Item 6. Resolution 5 – Approval of potential termination benefits in relation to Zero Exercise Price Options granted to Director – Dr Matthew Lamont (or his nominee)**

#### **Background**

Subject to the passing of Resolution 4, 105,711 ZEPOs with an expiry date of 30 November 2039 are proposed to be granted to Dr Matthew Lamont, or his nominee. If Resolution 4 is not passed, then Resolution 5 will have no effect.

A summary of the terms and condition of the ZEPOs are set out in Annexure A.

In accordance with the terms of the ZEPOs and the rules of the LTIP, the Company has a discretion, subject to the Listing Rules and any applicable laws, to determine how the ZEPOs held by Dr Lamont (or his nominee) will be treated if his employment ends.

Resolution 5 seeks Shareholder approval for the giving of those potential termination benefits for all purposes of Part 2D.2 of the Corporations Act and Listing Rule 10.19 as set out in this Explanatory Memorandum.

### **Termination benefits - Section 200B and 200E of the Corporations Act**

Dr Lamont occupies a managerial or executive office with the Company within the meaning of section 200AA of the Corporations Act.

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office.

The term 'benefits' is widely defined and may include benefits resulting from the Board exercising certain discretions under LTIP, including the discretion to waive vesting conditions.

The LTIP, and the terms and conditions of grant of the ZEPOs under the LTIP to Dr Lamont (or his nominee) contain provisions which may operate to entitle him (or his nominee) to vesting of ZEPOs earlier and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. The vesting conditions are subject to the Board exercising their discretion to allow such exercise (whether by waiving conditions of exercise or extending the period for exercise or otherwise).

Accordingly, the retirement benefit that may be given under the LTIP is a waiver of exercise conditions in relation to ZEPOs in certain circumstances upon termination of employment or office with the Company.

The value of any such benefits which may be given to Dr Lamont (or his nominee) cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the number of ZEPOs held by Dr Lamont prior to cessation of employment;
- (b) the number of ZEPOs that vest early;
- (c) the price of Shares on the ASX on the date of calculation;
- (d) the status of any vesting conditions or other conditions for the ZEPOs the time of ceasing to hold a managerial or executive office with the Company; and
- (e) Dr Lamont's length of service and reasons for ceasing to hold a managerial or executive office with the Company.

Accordingly, Shareholder approval is sought under sections 200B and 200E of the Corporations Act to the giving of any benefit to Dr Lamont in connection with his future cessation of office or position with the Company under the terms of the LTIP (or terms and conditions of grant) in relation to the ZEPOs, including as a result of any future exercise of a discretion by the Board under the terms of the Plan or the terms and conditions of the Board Performance Options.

### **ASX Listing Rule 10.19**

Shareholder approval of the benefits that may be given to Dr Lamont by virtue of the vesting of ZEPOs upon termination or cessation of Dr Lamont's employment is sought under Listing Rule 10.19.

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**).

Depending upon the value of the termination benefits associated with the ZEPOs, based on factors including the Board exercising its discretion to allow the relevant ZEPOs to vest and/or amend the vesting conditions upon Dr Lamont's termination or cessation of employment with the Company and the equity interests of the Company at the time such benefits may crystallise, the value of the vested and/or retained ZEPOs may exceed the 5% Threshold. Accordingly, the Company is also seeking approval for the purposes of Listing Rule 10.19. in order to give the Company flexibility, in case the value of the termination benefits (whether alone or in aggregate with other termination benefits) exceeds the 5% Threshold.

If the Resolution is passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to Dr Lamont in connection with Dr Lamont ceasing to hold that managerial or executive office in accordance with the rules of the Plan.

If the Resolution is not passed, the Company will not be able to give termination benefits to Dr Lamont where those termination benefits along with termination benefits payable to all officers together exceed the 5% Threshold.

#### **Board Recommendation**

The Board, in the absence of Dr Lamont recommends that Shareholders vote in favour of Resolution 5.

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### **Item 7. Resolution 6 – Approval of 10% Placement Facility**

#### **Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&P ASX 300 Index.

As at the date of this Notice the Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P ASX 300 Index and has a current market capitalisation of approximately \$239,790,473 (based on the number of Shares on issue and the closing price of Shares on ASX on 17 October 2024).

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 6 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue shares in the 12-month period following the AGM.

The Company obtained Shareholder approval to make issues under ASX Listing Rule 7.1A at its 2023 AGM ("**Previous Approval**"). This Previous Approval will lapse on the earlier of Monday 25 November 2024 (the date of the first business day that is 12 months after the date



of the 2023 AGM at which the approval is obtained) or the time and date of the 2024 AGM. The Company has not issued, or agreed to issue, any securities under the 10% Placement Facility approved by Shareholders at the 2023 AGM.

The Company seeks to refresh the shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the Meeting in accordance with ASX Listing Rule 7.1A

#### **Technical information required by ASX Listing Rule 14.1A**

The effect of Resolution 6 will be to permit the Company to issue the Shares up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval. .

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

#### **Listing Rule 7.1A**

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

At the date of this Notice, the Company has 118,123,386 Shares on issue (A in the formula below) and therefore, subject to Shareholder approval being obtained under Resolution 6, based on current circumstances 11,812,338 Shares will be permitted to be issued in accordance with Listing Rule 7.1A. The number of Shares that may be issued is calculated in accordance with the following formula:

#### **(A x D) - E**

- A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
  - (b) plus the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - (i) the convertible securities were issued or agreed to be issued more than 12 months before; or
    - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
  - (c) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - (i) the agreement was entered into more than 12 months before; or
    - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
  - (d) plus the number of partly paid shares that became fully paid in the previous 12 months;

(e) plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of fully paid ordinary securities under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval;

(f) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months immediately preceding the date of the issue or agreement to issue, where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 6 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

#### **Specific information required by Listing Rule 7.3A**

The following information in relation to the Equity Securities proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued for cash consideration at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the 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 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities under the Additional 10% Placement Capacity.

The table below shows the dilution of existing Shareholders upon the issue of the maximum number of Shares under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of the Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed AGM.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
- (ii) examples of where the issue price of Shares is the current market price as at close of trade on 17 October 2024, being \$2.03, (current market price), where the issue price is halved, and where it is doubled; and
- (iii) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$1.015 Issue Price at half the current market price	\$2.03 Issue Price at current market price	\$4.06 Issue Price at double the current market price
<b>Current Variable 'A'</b> <b>118,123,386 Shares</b>	Shares issued	11,812,338	11,812,338	11,812,338
	Funds raised	\$11,989,523	\$23,979,046	\$47,958,092
	Dilution	10%	10%	10%
<b>50% increase in Current variable 'A'</b> <b>177,185,079 Shares</b>	Shares issued	17,718,507	17,718,507	17,718,507
	Funds raised	\$17,984,285	\$35,968,569	\$71,937,138
	Dilution	10%	10%	10%
<b>100% increase in Current variable 'A'</b> <b>236,246,772 Shares</b>	Shares issued	23,624,677	23,624,677	23,624,677
	Funds raised	\$23,979,047	\$47,958,094	\$95,916,189
	Dilution	10%	10%	10%

**Note:** The table above assumes:

- (i) There are currently 118,123,386 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 17 October 2024.
- (iii) The Company issues the maximum possible number of Equity Securities under the Additional 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months period prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1
- (v) The issue of Shares under the Additional 10% Placement Capacity consists only of Shares. It is assumed that no Options or other

convertible securities are exercised into Shares or Shares are otherwise issued before the date of issue of the Equity Securities.

- (vi) 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 individual shareholding depending on their specific circumstances;
  - (vii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1;
  - (viii) 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%.
  - (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the AGM.
- (c) Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the AGM and will expire on the earlier of:
- (i) the date that is 12 months after the date of the AGM;
  - (ii) the time and date of the Company's next AGM; and
  - (iii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Equity Securities must be issued for cash consideration and the Company intends to use the funds raised by any issue under rule 7.1A.2 for business development and growth opportunities and for general working capital purposes.
- The Company will comply with the disclosure obligations under Listing Rules 2.7, 3.10.3 and 7.1A(4) upon issue of any Equity Securities under the 10% Placement Capacity.
- (e) The identity of the persons to whom Equity Securities will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Shares, including consideration of matters including, but not limited to:
- (i) the purpose of the issue;
  - (ii) the ability of the Company to raise funds via alternative methods and structures at the time of the proposed issue of Equity Securities, including but not limited to, an entitlement offer, or a placement and an entitlement offer;
  - (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing shareholders at the time of proposed issued of Shares;
  - (iv) the effect of the issue of Equity Securities on the control of the Company;
  - (v) the circumstances of the Company, including but not limited to the financial position and solvency of the Company;

- (vi) prevailing market conditions; and
- (vii) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom the Equity Securities will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their associates) of the Company.

- (f) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 23 November 2023. The Company has not issued any Equity Securities pursuant to the Previous Approval.
- (g) When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:
  - (i) 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 7.1A.4 for release to the market.

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Notice, the Company has no current plans to undertake a new capital raising under the Additional 10% Placement Capacity and has therefore not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

#### **Board Recommendation**

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

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### **Item 8. Resolution 7 – Ratification of Prior Issue of Tranche 1 Shares - Listing Rule 7.4**

#### **Background to Resolutions 7, 8, 9, 10 and 11**

As announced on ASX on 17 October the Company is undertaking a two-tranche placement for the issue of up to 15,789,474 fully paid ordinary shares (**Shares**) at an issue price of \$1.90 per Share to raise approximately \$30.2 million (**Placement**). The Company also announced a Share Purchase Plan (SPP) to eligible shareholders to raise up to an additional A\$5.0 million at the same price as the Placement, the SPP details will be provided in a separate offer booklet to Shareholders.

The Placement is structured as follows:

- (a) up to 15,789,474 Shares, which will be issued under the Company's placement capacity pursuant to Listing Rules 7.1 on or around 28 October 2024 (Tranche 1); and
- (b) up to 99,998 Shares, which the Company proposes to issue to Directors of the Company subject to shareholder approval sought pursuant to Resolutions 8 - 11 (**Tranche 2**).

#### **ASX Listing Rule 7.1 and 7.4**

Resolution 7 is seeking to ratify the prior issue of 15,789,474 Shares (**Tranche 1 Shares**) to institutional and sophisticated investors pursuant to the Company's capacity under Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a listed company may not, subject to specific exceptions, issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in a general meeting.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided the issue did not breach 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.

The issue of the Tranche 1 Shares did not breach ASX Listing Rule 7.1 and the Company seeks subsequent shareholder approval for this issue for the purpose of ASX Listing Rule 7.4 and all other purposes.

#### **Technical information required by ASX Listing Rule 14.1A**

If Resolution 7 is passed, the prior issue of the Tranche 1 Shares may be treated as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities, without Tranche 1 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If Resolution 7 is not passed, the Tranche 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12-month period following the date of issue.

#### **Technical information required by ASX Listing Rule 7.5**

For the purpose of ASX Listing Rule 7.5, Shareholders are advised of the following particulars of the allotment and issue:

- (a) the Tranche 1 Shares were issued to sophisticated and professional investors via a process conducted by Barrenjoey Markets Pty Limited and Shaw and Partners Limited. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties participated in the Tranche 1 Placement (**Tranche 1 Placement Recipients**);
- (b) 15,789,474 Shares will be issued and all Tranche 1 Shares were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 1 Shares will be issued on 25 October 2024;
- (d) the issue price was \$1.90 per Tranche 1 Share;
- (e) the purpose of the Placement is to raise funds for working capital and to accelerate the Company's growth trajectory, including investment in new verticals and geographic expansion;
- (f) the Tranche 1 Shares were not issued under an agreement but as a term of the Placement offer subscribed for by Tranche 1 Placement Recipients; and
- (g) a voting exclusion clause is set out under Resolution 7 of the Notice.

## Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

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### Item 9 to 12. Resolutions 8, 9, 10 and 11 - Approval for the issue of Tranche 2 Shares to Related Parties – Messrs Sciarrone and Puzey, Dr Lamont and Ms Bower

#### Background

Resolutions 8 to 11 seek Shareholder approval so that Messrs Sciarrone and Puzey, Dr Lamont and Ms Bower, who are Directors of the Company and thereby related parties, may participate in the Placement under Tranche 2 on the same terms as unrelated parties the subject of Resolution 7.

As detailed in the Background, a number of the Directors of the Company intend to participate in the Placement for a total of 99,998 Shares on the same terms as the unrelated parties who participated in the Placement.

Specifically, the Company seeks Shareholder Approval for Resolutions 8 to 11 for the issue of:

- (a) 52,631 Shares to Francesco Sciarrone (or his nominee) to raise \$100,000;
- (b) 26,315 Shares to Matthew Lamont (or his nominee) to raise \$50,000;
- (c) 10,526 Shares to Louise Bower (or her nominee) to raise \$20,000,
- (d) 10,526 Shares to Mark Puzey (or his nominee) to raise \$20,000;

(together, **Tranche 2 Shares**)

#### Chapter 2E of the Corporations Act

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 issue of the Tranche 2 Shares constitutes giving a financial benefit and Francesco Sciarrone, Matthew Lamont, Louise Bower and Mark Puzey are related parties of the Company by virtue of each being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of Tranche 2 Shares because the Tranche 2 Shares will be issued to Mr Sciarrone, Dr Lamont, Ms Bower and Mr Puzey (or their nominees) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

#### Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception applies.

ASX Listing Rule 19.12 includes within the definition of "related party" directors of the body corporate. Accordingly, the issue of the Tranche 2 Shares falls within Listing Rule 10.11 and

does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of shareholders under Listing Rule 10.11.

Pursuant to ASX Listing Rule 10.13.3, the Tranche 2 Shares the subject of Resolutions 8 to 11 must be issued within 1 month from the date of the shareholder approval.

**Technical information required by ASX Listing Rule 14.1A**

If Resolutions 8 to 11 are passed the Company will be able to proceed with the issue of the Tranche 2 Shares (and thereby complete the Placement) and will raise additional funds to be used in a manner set out below.

Resolutions 8 to 11 seek the required Shareholder approval to the issue of the Tranche 2 Shares under and for the purposes of Listing Rule 10.11, approval is not required under Listing Rule 7.1.

If Resolutions 8 to 11 are passed, the total amount to be raised from the issue of the Tranche 2 Shares is \$190,000.

If Resolutions 8 to 11 are not passed, the Company will not be able to proceed with the issue of the Tranche 2 Shares and the further funds of \$190,000 will not be raised in respect of the Placement. The impact of this will be that the Company may need to raise further funds through an equity capital raising or through an alternative funding source.

**Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 8 to 11:

- (a) the Tranche 2 Shares will be issued to Messrs Sciarrone and Puzey, Dr Lamont, and Ms Bower (or their nominees), who fall within the category set out in Listing Rule 10.11.1 by virtue of being Directors;
- (b) the maximum number of Tranche 2 Shares to be issued to the Related Parties (or their nominee) is 99,998 Shares, comprising:
  - (i) 52,631 Tranche 2 Shares to Francesco Sciarrone (or his nominee);
  - (ii) 26,315 Tranche 2 Shares to Matthew Lamont (or his nominee);
  - (iii) 10,526 Tranche 2 Shares to Louise Bower (or her nominee); and
  - (iv) 10,526 Tranche 2 Shares to Mark Puzey (or his nominee).
- (c) the Tranche 2 Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Shares will be issued no later than 1 month after the date of the Meeting and it is anticipated the Tranche 2 Shares will be allotted on or about 22 November 2024;
- (e) the issue price will be \$1.90 per Tranche 2 Share, being the same issue price as Shares issued to other unrelated participants in the Placement accordingly a total of \$190,000 will be raised. The Company will not receive any other consideration for the issue of the Tranche 2 Shares;
- (f) the purpose of the issue of Tranche 2 Shares is to raise additional capital of \$190,000 under the Placement, which the Company intends to use funds for working capital and to accelerate the Company's growth trajectory, including investment in new verticals and geographic expansion;



- (g) the Tranche 2 Shares to be issued are not intended to remunerate or incentivise any of the Directors;
- (h) the Tranche 2 Shares are not being issued under an agreement but as a term of the Placement offer subscribed for by the Directors in the amounts set out above; and
- (i) a voting exclusion statement is included in Resolutions 8 to 11 of the Notice.

**Board Recommendation**

- (a) The Board (other than Mr Sciarrone) has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 8;
- (b) The Board (other than Dr Lamont) has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 9;
- (c) The Board (other than Ms Bower) has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 10; and
- (d) The Board (other than Mr Puzey) has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 11.

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**Item 13. Resolution 12 – Renewal of Proportional Takeover Provisions**

**Background**

Resolution 12 seeks Shareholder approval for the proportional takeover bid approval provisions in Clauses 81 and 82 of the Company's Constitution (as set out in Annexure D of this Notice) (**Approval Provisions**) to be renewed for a period of three years from the date of the Meeting.

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders.

The Board considers that it is in the best interests of the Shareholders for the Company to have a proportional takeover provision in its Constitution.

Clause 81 and 82 of the Constitution currently set out proportional takeover approval provisions which were adopted by the Company on admission to the ASX in August 2020. In accordance with the Corporations Act, unless renewed, these provisions expired three years after the Company was incorporated or formed, on 10 August 2023.

In order to ensure that the proportional takeover approval provisions apply, the Company is, by this Resolution, seeking to renew the provisions.

The Board considers that it is in the best interests of members for the Company to renew the Approval Provisions for a term of three years from the date of the Meeting.

**What is a proportional takeover bid?**

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities in the relevant bid class. Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of their bid class securities and retain the balance of their bid class securities. This means that control of the Company may pass without members having

the chance to sell all their securities to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

#### **Effect of the provision to be renewed**

If a proportional takeover bid is made to Shareholders of the Company, the Board will be required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover bid (**Approving Resolution**). That meeting must be held at least 14 days before the offer under the proportional takeover bid closes.

The resolution will be taken to have been passed if a majority of Shares voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on before the end of the 14th day before the close of the offer, the resolution will be deemed to have been passed.

Where the Approving Resolution is passed or deemed to have been passed, transfers of Shares resulting from accepting the offer will be registered provided they otherwise comply with relevant regulatory requirements. If the resolution is rejected, then in accordance with the Corporations Act, the offer will be deemed to be withdrawn.

The proportional takeover approval provision does not apply to full takeover bids.

#### **Reasons for proposing the resolution**

The Directors consider that Shareholders should have the benefit of the proportional takeover approval provision in the Constitution. Without such a provision being effective, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their securities to the bidder.

Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The provision deals with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

#### **No knowledge of present acquisitions proposals**

As at the date on which this Explanatory Memorandum is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### **Potential advantages and disadvantages for the Directors and Shareholders of the Company**

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 for Shareholders include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;

- (c) they increase the bargaining power of Shareholders and 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 and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders including the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) the likelihood of a proportional takeover bid succeeding may be reduced; and
- (d) if a proportional takeover bid is made, the Company will incur the cost of calling a shareholders' meeting.

#### **Review of advantages and disadvantages of the proportional takeover approval provision**

Since the Company's incorporation, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provision (that is, Rules 81 and 82 of the Constitution) could be reviewed for the Directors and Shareholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover approval provision.

#### **Board Recommendation**

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that renewal of the proportional takeover approval provision is in the interests of Shareholders.

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

If this Resolution is approved, then the proportional takeover approval provision will take effect for 3 years from the date of the Meeting (until 19 November 2027).

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#### **Item 14. Correction to previous Issue of Zero Exercise Price Options to Director – Dr Lamont (or his nominee)**

There was an error in the Terms and Conditions of the LTIP Executive Awards contained in Annexure A of the Company's ASX release dated 18 October 2023 and Annexure A of the Company's 2023 notice of meeting (see page 29) dated 23 October 2023. Item (m) of the annexed LTIP Executive Awards in each announcement provided that "All Awards will be Equity Settled only and not Cash Settled". This was incorrect and should have provided that "All Awards may be Equity Settled or Cash Settled".

This error was corrected in the invitation letter provided to Dr Matthew Lamont on 27 June 2024 in relation to the offer for 256,941 ZEPOs so that the ZEPOs were issued on terms such that the ZEPOs may be Equity or Cash settled. The Company does not consider this to be material information which would invalidate the issued ZEPOs or require a new resolution.

A Shareholder Resolution is not required in respect of this item of business.

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## Definitions

The following terms and abbreviations used in the Notice of Meeting, this Explanatory Memorandum and the Proxy Form have the following meanings:

**\$** means Australian dollars, being the lawful currency of Australia.

**Annual General Meeting, AGM or Meeting** means the 2024 Annual General Meeting of the Company convened by the Notice of Annual General Meeting.

**ASX** means ASX Limited ACN 008 624 691.

**Associate** has the meaning given to that term in section 12 of the Corporations Act.

**ASX Listing Rules or Listing Rules** means the Listing Rules of ASX.

**Auditor** means Grant Thornton Audit Pty Ltd.

**AWST** means Australian Western Standard Time.

**Board** means the Board of Directors of DUG.

**Closely Related Party** of a member of the key management personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (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 dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations for the purposes of this paragraph.

**Constitution** means the constitution of DUG.

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

**Directors** means all of the directors of the Company as at the date of this Notice.

**DUG or the Company** means DUG Technology Ltd ACN 169 944 334.

**Explanatory Memorandum** means this explanatory memorandum which accompanies, and is incorporated as part of, the Notice of Meeting and includes any documents annexed to it or incorporated by reference.

**Equity Securities** has the meaning given in the ASX Listing Rules.

**HIN** means Holding Identification Number.

**Key Management Personnel or KMP** means the Directors of the Company (including the Chairman) and other employees having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly.

**Listing Rules** means the official listing rules of ASX.

**Meeting or Annual General Meeting** means the 2024 Annual General Meeting of the Company convened by the Notice of Annual General Meeting.

**Notice of Meeting** means the notice of meeting which accompanies this Explanatory Memorandum.

**Placement** means the two-tranche placement by the Company as announced on 17 October 2024 to raise approximately \$30.2 million.

**Proxy Form** means the Proxy Form which accompanies this Explanatory Memorandum.

**Resolution** means a resolution set out in the Notice of Meeting.

**Shareholder** means registered holders of Shares.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shares** means fully paid ordinary shares in the capital of the Company.

**SRN** means Shareholder Reference Number.

**Tranche 1 Shares** means Shares issued to sophisticated and professional investors pursuant to section 708(8), (10) and (11) of the Corporations Act.

**Tranche 2 Shares** means Shares issued to Directors subject to shareholder approval under this Notice.

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**Annexure A - Terms and Conditions of the LTIP Executive Awards**

**(a) Nature of Awards and Entitlement**

The Awards offered are options. Each Award constitutes a right to receive one (1) ordinary share in the capital of the Company, subject to the Plan Rules and the terms and conditions (as outlined herewith).

**(b) Exercise Price**

No consideration is payable upon the exercise of each Option.

**(c) Expiry Date**

Each Option will expire at 5.00pm (AWST) on 30 November 2039 (“**Expiry Date**”).

Notwithstanding the above, if a participant of vested Awards becomes a leaver (as defined in clause 1.1 of the Plan Rules), the Expiry Date of those vested Awards will be 5.00pm (AWST) on the sixtieth (60) day after a participant becomes a leaver, unless otherwise determined by the Board.

An Option not exercised on or before the Expiry Date will automatically lapse on the Expiry Date and be forfeited.

**(d) Vesting Conditions**

An Award will vest when a Vesting Notice in respect of that Award is given (or deemed to be given) to the participant. A Vesting Notice in respect of an Award must be given by the Company when the relevant Vesting Condition(s) set out below have been satisfied or waived in accordance with the Plan Rules.

The Awards will vest:

- (i) Provided that Dr Lamont remains continuously employed or engaged by a member of the Group at all times from the Grant Date of the Awards to 30 November 2027.
- (ii) Tranche 1 – Total Shareholder Return (TSR) hurdle – 50% of total ZEPOs allocated

**Performance hurdles:**

TSR Performance Target	Proportion of Awards that satisfy the performance conditions
<ul style="list-style-type: none"> <li>▪ 2% outperformance and below</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<ul style="list-style-type: none"> <li>▪ In between</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata</li> </ul>
<ul style="list-style-type: none"> <li>▪ 6% outperformance</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% vesting</li> </ul>
<ul style="list-style-type: none"> <li>▪ &gt; 6% and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro-rata and capped at 200%</li> </ul>

- Tranche 1 of the FY25 LTIP is subject to a market vesting condition against a relative TSR metric hurdle; specifically outperformance relative to the S&P ASX Small Ordinaries Index over a 12-month period. This condition is classified as a market condition under AASB 2, and its impact on expected vesting is included in the Fair Value calculation. This Fair Value is therefore multiplied by the total number of instruments issued to determine the expense. An independent external accounting firm has estimated the Fair Value of Tranche 1 Rights using a Monte Carlo simulation option pricing model.
- The opening share price will be the share price on the day the plan is approved.

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- The closing share price will be the share price which is 12 month from the date of the opening share price.
  - The Awards will be subject to a vesting period of three years from the grant date.
- (i) Tranche 2 – Return on Capital Employed (ROCE) hurdle – 50% of total ZEPOs allocated.

**Performance hurdles:**

ROCE Performance Target (based on audited reports)	Proportion of Awards that satisfy the performance conditions
▪ Less than 15%	▪ Nil
▪ From 15% to 24%	▪ Pro-rata
▪ 25%	▪ 100% vesting
▪ > 25% and above	▪ Pro-rata (e.g. 30% is 20% above 25%, therefore, award will be 120%)

- $ROCE = EBIT / \text{Capital Employed}$ , where  $\text{Capital Employed} = (\text{Opening Total Assets} - \text{Opening Current Liabilities}) + [(\text{Change in Total Assets} - \text{Change in Current Liabilities}) * \% \text{ of time new assets were operational}]$
- The Awards will be subject to a vesting period of three years from the grant date.

The Board may (in its discretion) adjust any of the Vesting Conditions or share price calculations if it considers the Vesting Condition or share price calculation (as applicable) is no longer appropriate or applicable (including to exclude the effects of extraordinary events or a reorganisation of the issued share capital of the Company (eg subdivision, consolidation, reduction)).

(e) **Exercise Period**

Once vested, the Options are exercisable at any time on or prior to the Expiry Date (“**Exercise Period**”).

(f) **Vesting on a change of control**

Notwithstanding clause 6 of the Plan Rules, if a ‘Change of Control Event’ (as defined in the Plan Rules) occurs, or the Board determines for the purpose of the Plan that a ‘Change of Control Event’ is likely to occur, all unvested Awards will automatically vest unless the Board determines otherwise.

(g) **Leaver**

If a participant of vested Awards becomes a leaver (as defined in clause 1.1 of the Plan Rules), the Expiry Date of those vested Awards will be 5.00pm (AWST) on the sixtieth (60) day after a participant becomes a leaver, unless otherwise determined by the Board.

Clause 6 of Schedule 2 of the Plan Rules sets out the forfeiture of Awards, including if a participant becomes a Leaver.

(h) **Forfeiture of Awards**

Clause 6 of Schedule 2 of the Plan Rules sets out the forfeiture of Awards, including if a participant becomes a Leaver.

(i) **Disposal restrictions**

Awards may not be disposed of by the participant, or otherwise dealt with, unless the disposal is approved by the Board in its absolute discretion or is effected by force of law on death or legal incapacity by their personal representative.

Except as set out in the Company's Securities Trading Policy, the Plan Rules and applicable laws, no specific disposal restrictions apply to any Resulting Shares that a participant receives as a result of the exercise of their awards.

(j) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified in the Notice of Exercise.

(k) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise ("**Exercise Date**").

(l) **Exercise of Awards**

Following the deemed issue of a Confirmation Notice in respect of an Award, a participant may exercise that Award by:

(i) delivering an Exercise Notice to (or as directed by) the Company; and

at any time:

(ii) between the date of provision (or deemed date of provision) of the Confirmation Notice and the Expiry Date relating to that Award; and

(iii) when the participant is permitted to exercise Awards under the Securities Trading Policy.

If the participant does not exercise their Award by the Expiry Date, that Award will automatically lapse and be forfeited.

(m) **Settlement Mechanism**

All Awards may be Equity Settled or Cash Settled. Upon exercise the Board will determine whether the Awards will be Equity Settled and/or Cash Settled.

If an Award is to be Equity Settled, as soon as practicable after the valid exercise of that Award the Company will arrange for the participant to receive the requisite number of Resulting Shares. The Company may fulfil a validly exercised Award by issuing, allocating and/or causing to be transferred to you the number of Shares to which you are entitled.

If an Award is to be Cash Settled, the participant will receive a cash payment equal to volume weighted average of the sell price of Shares recorded on the ASX over the [20] trading days prior to the day on which the Award is validly exercised, or such other period as determined by the Board (acting reasonably). An amount may be deducted by the Company from the cash payment on account of any applicable tax the Company is required to withhold or any superannuation or social security contribution (as applicable) the Company is required to pay in connection with the payment of the cash amount.

(n) **Resulting Shares to rank pari passu**

All Resulting Shares issued on exercise of the Options will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the



Shares by reference to a record date prior to the date of the allotment or transfer of the Resulting Shares.

(o) **Listing**

The Company will apply for quotation on the ASX of the Resulting Shares issued within the time required by the ASX Listing Rules after the date of allotment.

(p) **Adjustment of Awards**

Clause 9 of Schedule 2 of the Plan Rules sets out how Awards will be adjusted upon.

- (i) a reconstruction of the issued capital in the Company (including any subdivision, consolidation, reduction or cancellation of such issued capital);
- (ii) a bonus issue of Shares; and
- (iii) a rights issue.

(q) **Participation in new issues**

Subject to clauses 9.1 to 9.3 (inclusive) of Schedule 2 of the Plan Rules, during the currency of any Awards and prior to their exercise, the holders of Awards are not entitled to participate in any new issues of Shares of the Company as a result of their holding of Awards.

(r) **Employee Share Trust**

The Company may require the participant to hold any Resulting Shares via an employee share trust. Under an employee share trust structure, the trustee of the employee share trust would be registered as the legal owner of the Resulting shares but the participant would be the beneficial owner. All dividends on the Resulting Shares will be provided to the participant and the participant will have the ability to control voting.

## Annexure B – Valuation method

The Company commissioned the preparation of an independent valuation of the ZEPOs. The ZEPOs to be issued to Dr Lamont (or his nominee) pursuant to Resolution 4 have been valued by an external accounting firm.

### Indicative valuation

in AUD unless otherwise stated	
AASB2 Fair Value per instrument as at 16 October 2024	
Tranche 1 - Total Shareholder Return (TSR) condition	\$2.66
% Spot price	122.1%
Tranche 2 - Return on Capital Employed (ROCE) condition	\$2.18
% Spot price	100.0%
Sensitivity analysis - Tranche 1 (vesting % capped at 100%)	\$1.36
% Spot price	62.2%

- Estimated the Fair Value of the Tranche 1 Performance Rights using a Monte Carlo simulation option pricing model. The indicative value of \$2.66 is 122.1% of the spot price of \$2.18 as of October 16, 2024, given this tranche can vest at more than 100%, up to a maximum of 200%.
- To validate our findings for Tranche 1, we conducted a sensitivity analysis to assess the percentage of the spot price considering a cap on vesting at 100% instead of 200%. This analysis yielded a fair value of \$1.36, which is 62.2% of the spot price. We consider this appropriate given the underlying vesting hurdles and inputs, supported by comparable internal references.
- The Return on Capital Employed (ROCE) condition is classified as a non-market condition. According to AASB 2, the impact on expected vesting is not included in the Fair Value calculation for non-market conditions. Therefore, the Fair Value is multiplied by the number of instruments expected to vest to determine the expense. We have estimated the Fair Value of these Performance Rights to be \$2.18 using a Black-Scholes option pricing model.

The detail of inputs included for the valuation is presented below:

Key input	LTIP	Description
Share Price	\$2.18	16 October 2024 closing price sourced from S&P Capital IQ.
Volatility	42.5%	Estimated based on the consideration of DUG's historical share price volatility.
Risk free rate	3.73%	The risk-free rate yields are based on the Australian Government bond as at the Grant Dates, aligned with the remaining terms of the instruments or interpolated based on the nearest available tenures, using data from S&P Capital IQ. The adopted yields are then converted into continuously compounded rates in our model.

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Dividend yield	Nil	The dividend yield is calculated based on broker forecasts sourced from Capital IQ as at the Grant Dates.
Grant Date	16 October 2024	Assumed grant date. Actual grant date will be a future date following the AGM.
Performance Period	16 Oct 2024 to 16 Oct 2027	Assumed per the terms of the DUG FY25 LTIP awards that the awards will be subject to a vesting period of three years.
Vesting date	16 Oct 2027	Per the terms of the DUG FY25 LTIP awards that the awards will be subject to a vesting period of three years.
Index benchmark	ASX:XSO	S&P ASX Small Ordinaries Index as advised by DUG Management.
Initial TSR	0%	Nil initial TSR given the performance start date and grant date are assumed to be the same day for this indicative valuation.

This valuation is indicative. The final value for reporting purposes will be calculated as at the actual Grant Date.

## Annexure C – Summary of LTIP

The following is a summary of the material terms of the Company’s Omnibus Long Term Incentive Plan Rules (**LTIP** or **Plan**). A complete copy of the Plan was lodged with ASX on 10 August 2020. Unless stated otherwise, capitalised terms in this Annexure have the meaning given to them in the Plan.

(a) **Nature of Plan**

The purpose of the Plan is to assist in the reward, retention and motivation of Eligible Participants and to align the interests of Eligible Participants with shareholders of the Company.

(b) **Eligibility**

The Board may, in its absolute discretion, invite an Eligible Participant to participate in the Plan. An Eligible Participant includes a director of the Company, or an employee or consultant of the Company or a related body corporate of the Company.

(c) **Invitation and Application Form**

An Invitation to an Eligible Participant to apply for Plan Shares or Awards may be made on such terms and conditions the Board decides, including (amongst other things) the Grant Date, Vesting Conditions and the number of Plan Shares/Awards for which the Eligible Participant may applied.

(d) **Application Form**

The Company must not grant a Plan Share or an Award to an Eligible Participant unless it has received a completed Application Form and all applicable Ancillary Documentation. The Board may accept an Application from an Eligible Participant in whole or in part.

(e) **Board powers and discretions**

Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion.

(f) **Terms of Loan Funded Plan Shares**

If the relevant documentation and the Acquisition Price for the relevant Plan Shares has been received and the Board has accepted such Application, the Company must procure that the relevant number of Plan Shares are:

- A. acquired for and on behalf of the Eligible Participant (or, where applicable, the Eligible Participant’s Nominated Affiliate);
- B. subscribed for on behalf of the Eligible Participant (or, where applicable, the Eligible Participant’s Nominated Affiliate) and issued to that Eligible Participant (or, where applicable, the Eligible Participant’s Nominated Affiliate); or
- C. a combination of (A) and (B) as determined by the Board, subject at all times to the terms and conditions set out in the Invitation, these Rules and (where applicable) the Ancillary Documentation,

As applicable, the Company must allocate and issue, or arrange for the transfer or allocation, of the relevant number of Plan Shares to that Eligible Participant.

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## **Vesting**

A Plan Share will vest when a Vesting Notice in respect of that Plan Share is given or is deemed to be given to the Participant. A Vesting Condition may be waived by the Board by written notice to the relevant Participant.

## **Disposal restrictions**

Unless otherwise permitted by the Board by express written notice, a Plan Share held by or on behalf of a Participant must not be Disposed of or otherwise dealt with by that Participant:

- (i) until:
  - A. that Plan Share has vested; and
  - B. the Loan Balance (if any) relating to that Plan Share has been repaid or discharged in accordance with the terms of the Loan Agreement or arrangements for such repayment or discharge have been made to the satisfaction of the Board; and
  - C. the disposal restrictions relating to that Plan Share which are set out in the Invitation or these Rules have expired; or
- (ii) unless otherwise expressly permitted by these Rules

## **Failure to satisfy conditions**

Subject to the Board's absolute discretion, a Plan Share which has not yet vested will be compulsorily divested on the date that the Board determines that any applicable Vesting Conditions have not been met or cannot be met by the relevant date.

## (g) **Terms of Awards**

### **Participant's rights**

No Participant is entitled to:

- (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and
- (ii) receive any dividends declared by the Company,

by virtue of holding an Award.

### **Restrictions of Dealing**

A Participant may not sell, assign, transfer, grant a Security Interest over or otherwise deal with an Award that has been granted to them, unless the Board in its absolute discretion so approves or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative. The Company may require that an Award be forfeited if a sale, assignment, transfer, dealing or grant of a Security Interest occurs or is purported to occur other than in accordance with these Rules.

### **Prohibition on hedging**

A Participant also must not enter into any arrangement for the purpose of hedging their economic exposure to an Award that has been granted to them.

## **Vesting**

An Award will vest when a Vesting Notice in respect of that Award is given or is deemed to be given to the Participant. A Vesting Condition may be waived by the Board by written notice to the relevant Participant.

## **Exercise Conditions**

An Award may only be exercised when all Vesting Conditions and all Exercise Conditions applicable to that Award are satisfied or have been waived by the Company and the Company has provided a Confirmation Notice to the Participant.

An Exercise Condition for an Award may, subject to any applicable laws and regulations, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

## **Exercise of vested Award**

Where a Confirmation Notice has been given or deemed to be given by the Company to a Participant in relation to an Award, to exercise that Award:

- (i) the Participant must, at any time:
  - A. that is between the date of provision (or deemed provision) of a Confirmation Notice relating to that Award and the earlier of the time specified in the Participant's Invitation (if any) and the Expiry Date; and
  - B. when the Participant is permitted to exercise Awards under the Company's Securities Trading Policy,  
  
deliver an Exercise Notice to (or as directed by) the Company and pay the Exercise Price (if any) for that Award to (or as directed by) the Company (Mutually Exercised); or
- (ii) if the Participant's Invitation requires that an Award is automatically exercised, that Award will be deemed exercised on the date of the Confirmation Notice or, if the Participant is not permitted to exercise Awards under the Company's Securities Trading Policy on such date, the first subsequent day that the Participant is permitted to exercise such Awards (Automatically Exercised).

## **Delivery of Shares on Exercise of Awards or Cash Settlement**

Where an Award may be Cash Settled or Equity Settled (rather than just Equity Settled), the Board may determine the preferred settlement mechanic in its absolute discretion. The Company will also issue a substitute Certificate for any remaining unexercised Awards of that Participant.

## **Cash Settlement**

Where an Award will be Cash Settled, the cash payment will be determined by reference to the value of the Shares which would otherwise have been granted to the Participant if the Awards had been Equity Settled and as set out in the Invitation.

## **Failure to satisfy conditions**

An award which has not yet been exercised will be forfeited immediately on the date that the Board determines that any applicable Vesting Conditions or Exercise Conditions have not been met or cannot be met by the relevant date.

Where an Award has been forfeited, the Award will automatically lapse.

### **Disposal restrictions**

For so long as a Resulting Share is subject to any disposal restrictions under this Plan, the Participant will not without the prior express written consent of the Board:

- (i) Dispose of that Resulting Share, or have a Security Interest granted over that Resulting Share;
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions.

(h) **Other Key Terms**

- (i) If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital), the rights of a Participant holding Awards will be adjusted in the manner specified by the Listing Rules.
- (ii) The Board may, at the time an Eligible Participant is invited to apply for Plan Shares, invite the Eligible Participant to apply for a Loan to fund the Acquisition Price of the relevant Plan Shares.
- (iii) Unless otherwise determined by the Board in its absolute discretion, an Award granted under the Plan will not be quoted on the ASX.
- (iv) The company will apply for quotation of Plan Shares if the Plan Shares granted are the same class as those shares of the Company which are listed on the ASX.

## Annexure D – Takeover Approval Provisions

The following is an extract of the Takeover Approval Provisions set out in Rules 81 and 82 of the Company's Constitution.

### Takeover Approval Provisions

#### 81. REFUSAL TO REGISTER TRANSFERS

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract resulting from acceptance of an offer made under a proportional takeover bid in respect of a class of Shares unless and until a resolution to approve the takeover bid is passed in accordance with Clause 82.
- (b) This Clause 81 and Clause 82 cease to have effect on the day which is 3 years after the later of their adoption or last renewal in accordance with the Corporations Act.

#### 82. APPROVAL PROCEDURE

- (a) Where offers are made under a proportional takeover bid, the Board must, subject to the Corporations Act, call and arrange to hold a meeting of persons entitled to vote on a resolution to approve the proportional takeover bid.
- (b) Subject to this Constitution, each person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid:
  - (i) is entitled to vote on the resolution referred to in Clause 82(a); and
  - (ii) has one vote for each Share in the bid class securities that the person holds.
- (c) The provisions of this Constitution concerning meetings of Shareholders apply to a meeting held pursuant to Clause 82(a) with any modifications that Board resolves are required in the circumstances.
- (d) A resolution referred to in Clause 82(a) that has been voted on is passed if more than 50% of votes cast on the resolution are in favour of the resolution, and otherwise is taken to have been rejected.
- (e) If a resolution referred to in Clause 82(a) has not been voted on as at the end of the day before the fourteenth day before the last day of the bid period under the proportional takeover bid, or a later day allowed by the Australian Securities and Investments Commission, then that resolution is taken to have been passed.

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**DUG Technology Ltd**  
ACN 169 944 334

DUG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?

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

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (AWST) on Sunday, 17 November 2024.**

# 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.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**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.

| 9999999999

I ND

# 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 DUG Technology 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 DUG Technology Ltd to be held at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth, WA 6005 on Tuesday, 19 November 2024 at 1:00pm (AWST) 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, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4 and 5 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, 4 and 5 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
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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	Securityholder 2	Securityholder 3	/ /
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

**Update your communication details** (Optional)

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

Mobile Number	Email Address
<input type="text"/>	<input type="text"/>



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21 October 2024



Dear Shareholder

**Annual General Meeting to be held on 19 November 2024**

Notice is hereby given that DUG Technology Ltd (ACN 169 944 334) (**DUG** or the **Company**) is convening an Annual General Meeting of Shareholders as follows:

**Time and date:** 19 November 2024 at 1.00pm (AWST)

**Location:** The Kings Park Room, Quest Kings Park,  
54 Kings Park Road, WEST PERTH WA 6005

In accordance with section 110D of the *Corporations Act 2001* (Cth) (as inserted by the *Corporations Amendment (Meeting and Documents) Act 2022* (Cth)), the notice of meeting (**Notice**) is being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice, unless a Shareholder has elected to receive documents in hard copy in accordance with the timeframe specified in section 110E(8) of the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth).

Instead, the Notice can be viewed and downloaded via:

- the Company's website at <https://dug.com/investor-centre/asx-announcements/>;
- via the Company's ASX page at <https://www.asx.com.au/markets/company/dug>; and
- if you have nominated an email address and have elected to receive electronic communications from the Company, via the electronic link that is sent to your nominated email address.

The Company intends to hold a physical meeting. The Company will notify any changes to this by way of an announcement on the ASX and the details will also be made available on our website. The Meeting materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your stock broker, investment advisor, accountant, solicitor or other professional adviser.

The Company strongly encourages Shareholders to lodge a directed proxy form prior to the meeting. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholders questions. However, votes and questions may also be submitted during the Meeting.

**Shareholders who are unable to attend the meeting are encouraged to vote online by going to [www.investorvote.com.au](http://www.investorvote.com.au) and logging in using the control number (184384) and inserting your SRN/HIN and postcode (inside Australia) or country of residence (outside Australia)**

Your proxy form must be received by **1.00pm (AWST) on Sunday 17 November 2024** being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting. The Notice of Meeting is important and should be read in its entirety. If you are in



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doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact the Company's share registry, Computershare on 1300 850 505 (toll free) from within Australia or +61 3 9415 4000 from overseas during business hours.

Approved for release by the Board of DUG Technology Ltd

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Lamont', with a stylized flourish at the end.

**Matthew Lamont Ph.D.**  
Managing Director

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