

23 October 2024

DURATEC LTD – 2024 ANNUAL GENERAL MEETING

Dear Shareholder,

I am pleased to invite you to attend the 2024 Annual General Meeting of Duratec Ltd (**Duratec**), which will be held at 11:00am (AWST) on Friday 22 November 2024 (**Meeting**) as a virtual meeting via a live webcast.

In accordance with the *Corporations Act 2001* (Cth), the Notice of Meeting and the accompanying Explanatory Statement are being made available to shareholders electronically. The Duratec Notice of Meeting is available for you to view and download on the Duratec website at www.duratec.com.au/investors/announcements or from the ASX market announcements platform (www.asx.com.au) using the ASX code: DUR.

Shareholders will be able to participate via a live webcast of the meeting through the Computershare online platform (webcast link: <https://meetnow.global/MP4RYJ7>), including the ability to ask questions (written or oral) and vote online during the Meeting.

Your participation in the Meeting is important to us. If you are unable to attend the Meeting at the scheduled time, you can participate in the Meeting by lodging a proxy vote. As voting on all resolutions at the Meeting will be conducted by poll, your lodged proxy vote will be included in the vote on each resolution.

Shareholders can either lodge the proxy appointment online at www.investorvote.com.au or sign and return the proxy form to the Company's share registry, Computershare Investor Services Pty Limited, in accordance with the instructions on the form, so that it is received by **11:00am (AWST) on 20 November 2024**.

Duratec is committed to promoting positive environmental outcomes, so it encourages all shareholders to provide an email address to receive their communications electronically. This ensures the Company is providing shareholders with the information they need in the fastest, most cost-effective manner possible, while also significantly reducing the Company's environmental impact.

You can make an election as to whether you would like to receive certain documents, including annual reports and documents related to shareholder meetings (for example, notices of meeting and proxy/voting forms), as follows:

1. You can make a standing election to receive the documents in physical or electronic form;
2. You can make a one-off request to receive a document in physical or electronic form; or
3. You can elect not to receive certain documents such as annual reports.

To update your communication preferences (including to provide your email address and elect to receive communications electronically), visit <https://www.computershare.com.au/easyupdate/DUR> and follow the prompts. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) and postcode to login in and manage your details.

HEAD OFFICE

108 Motivation Drive, Wangara WA 6065
08 6206 6900
info@duratec.com.au
duratec.com.au

Duratec Limited
ABN 94 141 614 075
ASX code: DUR

DIRECTORS AND COMPANY SECRETARY

Martin Brydon - Non-Executive Chairman
Phil Harcourt - Executive Director, Managing Director
Chris Oates - Executive Director, General Manager
Gavin Miller - Non-Executive Director
Krista Bates - Non-Executive Director
Dennis Wilkins - Company Secretary

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Of course, you will always be able to access and read the Company's annual report, notices of meeting and other shareholder documents when they are published on the Company's website and the ASX market announcements platform.

For a detailed overview of Duratec's performance and operations for the year ended 30 June 2024, I encourage you to read the 2024 Annual Report prior to the Meeting. The 2024 Annual Report can be found on the Duratec website at www.duratec.com.au.

If you are unable to access the meeting materials online, please call the Company Secretary on +61 8 9389 2111.

For and on behalf of the Board,

Dennis Wilkins
Company Secretary

Duratec Limited
ACN 141 614 075

Notice of 2024 Annual General Meeting
and
Explanatory Statement

Date of Meeting

22 November 2024

Time of Meeting

11:00am (AWST)

Place of Meeting

Virtual Meeting via Live Webcast

THIS IS AN IMPORTANT DOCUMENT

Please read it carefully and in its entirety. If you do not understand it, please consult with your professional advisers.

THE ANNUAL REPORT IS AVAILABLE ON THE COMPANY'S WEBSITE

www.duratec.com.au

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Duratec Limited
ACN 141 614 075
(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of the Shareholders of Duratec Limited will be held on 22 November 2024 at 11:00am (AWST) as a virtual meeting via live webcast for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Shareholders will be able to attend the Meeting through the Computershare online platform, including the ability to listen, ask questions (written and oral), and vote online during the Meeting. For more information on Shareholder questions and how to vote, refer to the Notes section in the Notice.

Registration for the meeting will open at 10:30am (AWST) on 22 November 2024.

Webcast link: <https://meetnow.global/MP4RYJ7>

Duratec recommends that participants register at least 15 minutes before the scheduled commencement of the AGM.

Even if you plan to attend the AGM, you are encouraged to submit your Proxy Form in advance of the AGM so that your votes can still be counted if for any reason you cannot attend on the day (for example, if you experience an issue with your internet connection).

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

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

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

That, for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report, which forms part of the Directors' Report for the financial year ended 30 June 2024, be adopted.

Note: In accordance with section 250R(3) of the Corporations Act, the vote on this Resolution will be advisory only and does not bind the Directors or the Company.

A Voting Prohibition Statement for this Resolution is set out below.

RESOLUTION 2: RE-ELECTION OF MR ROBERT HARCOURT AS A DIRECTOR

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

That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4, and for all other purposes, Mr Robert Philip Harcourt, who retires by rotation in accordance with the Constitution and the Listing Rules and, being eligible, offers himself for re-election as a Director, is re-elected as a Director.

RESOLUTION 3: RE-ELECTION OF MR GAVIN MILLER AS A DIRECTOR

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

That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4, and for all other purposes, Mr Gavin Miller, who retires by rotation in accordance with the Constitution and the Listing Rules and, being eligible, offers himself for re-election as a Director, is re-elected as a Director.

RESOLUTION 4: INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

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

"That, for the purposes of clause 14.5 of the Constitution and Listing Rule 10.17, and for all other purposes, the maximum aggregate remuneration payable to non-executive Directors be increased by \$250,000 from \$500,000 to \$750,000 per annum."

A Voting Exclusion Statement and a Voting Prohibition Statement for this Resolution are set out below.

RESOLUTION 5: APPROVAL TO GRANT PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR MR OATES

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of up to 850,000 Performance Rights under the Company's Employee Equity Plan to executive Director Mr Oates (or his nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

A Voting Exclusion Statement and a Voting Prohibition Statement for this Resolution are set out below.

By order of the Board:



Dennis Wilkins
Company Secretary
18 October 2024

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VOTING EXCLUSIONS AND PROHIBITIONS

Resolution 1 – Adoption of Remuneration Report:

Voting Prohibition

A vote on Resolution 1 must not be cast:

- by or on behalf of a member of the KMP whose remuneration details are included in the Remuneration Report for the year ended 30 June 2024 or a Closely Related Party of any such member of the KMP (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of the KMP at the time of the Meeting, or by a Closely Related Party of any such member of the KMP,

unless the vote is cast as proxy for a person entitled to vote on Resolution 1 and:

- the vote is cast in accordance with a direction on the Proxy Form specifying how the proxy is to vote on the Resolution; or
- the vote is cast by the Chair and the Proxy Form expressly authorises the Chair to exercise the proxy and vote as the Chair decides even though the Resolution is connected directly or indirectly with the remuneration of members of the KMP.

Resolution 4 – Increase in Maximum Aggregate Remuneration for Non-Executive Directors:

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or an Associate of a Director. 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.

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by a person appointed as a proxy if:

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

However, the above prohibition does not apply if:

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

Resolution 5 – Approval to Grant Performance Rights To Executive Director Mr Oates:

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- Mr Oates (or his nominee);

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- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Equity Plan; 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.

Voting Prohibition

A vote on this Resolution must not be cast by a person appointed as a proxy if:

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

However, the above prohibition does not apply if:

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

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NOTES

PROVISION OF ANNUAL GENERAL MEETING MATERIALS

In accordance with the Corporations Act, the Company will issue notices of annual general meetings electronically unless a Shareholder has made an election to receive a paper copy of these documents.

All Shareholders will be able to access the Notice of Meeting (including the Proxy Form) and a link to the Online Meeting Guide on the Company's website at: www.duratec.com.au/investors/announcements. The Company has also provided the Meeting materials on the Company's ASX announcements page, which are available through the ASX market announcements platform by inserting Duratec's ASX code (DUR) into the search function on <https://www.asx.com.au/asx/statistics/announcements.do>.

Any Shareholders that have nominated an email address and have elected to receive electronic communications from the Company will also receive an email to their nominated address with a link to an electronic copy of the Notice of Meeting (including the Proxy Form).

Receiving your communications electronically is the best way to stay informed and has the added advantage of being more cost effective, which benefits all Shareholders. If you haven't already, we encourage you to make the switch to paperless communications and provide us with your email address. To make the change, visit <http://www.investorcentre.com/au>, and follow the prompts.

If you are unable to access the relevant Meeting materials online, please contact the Company Secretary on +61 8 9389 2111.

HOW TO ATTEND

Shareholders will be able to participate in the AGM in real-time using the online platform. To use the online platform, you will require a computer, tablet, or mobile device with an internet connection.

It is recommended that Shareholders login to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the following instructions:

- Online registrations will open from 10:30am (AWST).
- Shareholders can participate in the Meeting via the online platform using a web browser or mobile device: <https://meetnow.global/MP4RYJ7>
- Click on "Join Meeting Now".
- Enter your SRN / HIN. Proxyholders will need to contact Computershare on +61 3 9515 4024 prior to the meeting to obtain their login details.
- Enter your postcode registered to your holding if you are an Australian Shareholder. If you are an overseas Shareholder select the country of your registered holding from the drop down list.
- Read and, if you are prepared to do so, accept the Terms and Conditions and click "Continue".
- Participating in the Meeting online enables Shareholders to listen to the AGM live, ask questions (written or oral), and vote in real-time at appropriate times during the Meeting.

It is possible that technical difficulties may arise during the course of the Meeting, in which case the Chair has discretion as to whether and how the Meeting should proceed. Where the Chair considers it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to appoint a proxy and submit a completed Proxy Form by no later than 11:00am (AWST) on 20 November 2024.

More information about online participation is available in the Online Meeting Guide available online at www.computershare.com.au/virtualmeetingguide.

VOTING INFORMATION

Eligibility to vote

The Board has determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that persons who are registered holders of Shares as at 4:00pm (AWST) on Wednesday, 20 November 2024 will be entitled to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting procedure

All Resolutions will be decided by a poll rather than a show of hands. The Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of all Resolutions.

How to vote

If you attend the Meeting, you will be able to vote via the virtual platform on the Resolutions in real time.

Voting on the Resolutions at the Meeting is important, and the Board encourages all Shareholders to either vote at the Meeting via the online platform or submit a valid Proxy Form. Shareholders can either lodge the proxy appointment online at www.investorvote.com.au or sign and return the Proxy Form to the Company's share registry, Computershare Investor Services Pty Limited, in accordance with the instructions on the form, so that it is received by **11:00am (AWST) on 20 November 2024**.

SHAREHOLDER QUESTIONS

Shareholders attending the Meeting will have a reasonable opportunity to ask questions relevant to the business of the Meeting.

Shareholders will be able to ask their questions and make comments either in writing or orally. In order for Shareholders to ask their questions or make comments orally, a working microphone connected to the online platform is required.

Shareholders who are unable to attend the Meeting or wish to submit questions prior to the Meeting may submit written questions by emailing agm@duratec.com.au. In order for questions to be appropriately considered, it is recommended that questions be received by 11:00am (AWST) on 20 November 2024.

The more frequently raised Shareholder issues will be addressed by the Chair during the Meeting. There will be an allotted time for questions and the Board will endeavour to respond to as many Shareholder questions as possible. However, there may still not be sufficient time available at the Meeting to address all the questions raised. Please note that individual responses will not be sent to Shareholders.

PROXY INFORMATION

Voting by proxy

To vote by proxy, please complete and sign the enclosed personalised Proxy Form and return **by no later than 11:00am (AWST) on 20 November 2024**, being 48 hours prior to the commencement of the Meeting:

- by **lodging your Proxy Form online** at www.investorvote.com.au using your secure access information provided on your Proxy Form or by using your mobile device to scan the personalised QR code; or
- by **posting your completed Proxy Form** to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- by **delivering your completed Proxy Form by fax** to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

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

- each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company and can be an individual or a body corporate; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise one-half of the votes.

Chair as proxy

If you appoint the Chair of the Meeting as your proxy (or the Chair becomes your proxy by default) and you do not direct your proxy how to vote on the proposed Resolutions set out in this Notice, then you will be authorising

the Chair to vote as he or she decides on the proposed Resolutions (even if the Resolution is connected with the remuneration of a member of the Company's KMP). The Chair intends to vote (where appropriately authorised) as proxy in favour of each Resolution.

If you appoint the Chair as your proxy and wish to direct the Chair how to vote, you can do so by marking the boxes for the relevant Resolution (i.e., by directing the Chair to vote "For", "Against" or "Abstain").

If you appoint a member of the KMP (other than the Chair) or any Closely Related Party of a member of the KMP as your proxy, you must direct that person how to vote on Resolutions 1, 4 and 5 if you want your Shares to be voted on that Resolution. If you appoint a member of the KMP (other than the Chair) or any Closely Related Party of a member of the KMP and you do not direct them how to vote on Resolutions 1, 4 and 5, such a person will not cast your votes on those Resolutions and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions.

CORPORATE REPRESENTATIVES

A body corporate which is a Shareholder, or that has been appointed as a proxy, must appoint a person to act as its representative at the Meeting if it wishes to attend and vote at the Meeting. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative with the share registry or the Company prior to the Meeting or at the registration desk on the day of the Meeting.

POWERS OF ATTORNEY

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must be received by the share registry by 11:00am (AWST) on 20 November 2024, unless the power of attorney has previously been lodged with the share registry.

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Duratec Limited
ACN 141 614 075
(Company)

Explanatory Statement

This Explanatory Statement is prepared for the benefit of Shareholders of Duratec to better understand the Resolutions to be put to the annual general meeting of the Company to be held on 22 November 2024 at 11:00am (AWST) as a virtual meeting via live webcast.

This Explanatory Statement forms part of, and should be read together with, the Notice of Meeting. Capitalised terms used in this Explanatory Statement are defined in the Glossary.

ACCOUNTS AND REPORTS

The Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2024 will be laid before the Meeting. A copy of the Company's Annual Report for the year ended 30 June 2024, which includes these reports, is available on the Company's website at www.duratec.com.au and on ASX's website www.asx.com.au, under the Company's code "DUR".

There is no requirement for Shareholders to approve these reports. Shareholders will be given a reasonable opportunity at the AGM to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

1.1. General

Section 250R(2) of the Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the outcome of the vote and the discussion will be considered by the Company's Remuneration and Nomination Committee when evaluating the remuneration arrangements of the Company in the future.

The Remuneration Report of the Company for the period ended 30 June 2024 is set out in the Company's Annual Report on pages 49 to 54. This report includes information about the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director and member of the KMP.

As set out in the Remuneration Report, in determining executive remuneration, the Board aims to ensure that remuneration practices:

- (a) are competitive and reasonable, enabling the Company to attract and retain key talent while building a diverse, sustainable, and high achieving workforce;
- (b) are aligned to the Company's strategic and business objectives and the creation of Shareholder value;
- (c) promote a high performance culture recognising that leadership at all levels is a critical element in this regard;
- (d) are transparent; and
- (e) are acceptable to Shareholders.

Further details regarding the Company's remuneration policy and structure of executive and non-executive remuneration are set out in the Annual Report.

Shareholders will be given a reasonable opportunity to ask questions about, or comment on, the Remuneration Report at the Meeting.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

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1.2 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement and the Remuneration Report, all the Directors consider that Resolution 1 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2: RE-ELECTION OF MR ROBERT HARCOURT AS A DIRECTOR

2.1 General

Mr Robert Philip Harcourt was appointed as a Director on 26 August 2010. Mr Harcourt acted as Managing Director of the Company since listing until resigning from that role on 1 December 2023, remaining as a non-executive Director from that time. As he has been in an executive role with the Company in the last three years, the Board do not consider Mr Harcourt to be an independent Director.

Clause 14.4 of the Constitution and Listing Rules 14.4 and 14.5 require that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected (other than the Managing Director), and that an election of a Director must be held at each annual general meeting. The Directors to retire at an annual general meeting are those who have held office the longest since their last election. If two or more Directors have held office for the same period, those Directors may agree between themselves which of them will retire, otherwise they are to draw lots.

When appointed as Managing Director, Mr Harcourt was not subject to the retirement requirements. As Mr Harcourt is now a non-executive Director, he retires as a Director of the Company at this AGM and being eligible, offers himself for re-election as a Director.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Harcourt has over 50 years of experience in the civil and structural engineering industry. During this time Mr Harcourt has held numerous roles including; Senior Project Engineer and CEO of Savcor Finn Pty Ltd, and Chief Operations Officer of the publicly listed company Savcor Group. Mr Harcourt along with two trusted colleagues established Duratec in 2010 and acted as Managing Director from listing until 1 December 2023. During his tenure as Managing Director, he led the Company through a period of rapid growth to become a highly recognised and reputable specialist civil remediation contracting company and was responsible for the overall management of the Company, health, safety, environment and quality control, strategic planning, new business opportunities and risks and business development.

Mr Harcourt is currently a member of the Audit and Risk Committee, Remuneration and Nomination Committee and Sustainability Committee. Mr Harcourt holds securities in the Company, as detailed in his most recent Appendix 3Y lodged with ASX on 8 September 2023, available on the ASX website at www.asx.com.au (code: DUR) and on Duratec's website at www.duratec.com.au.

2.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Harcourt has a wealth of experience and expertise which is valuable to the Company. The Directors (other than Mr Harcourt because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MR GAVIN MILLER AS A DIRECTOR

3.1 General

Mr Gavin Miller was appointed as a Director on 14 April 2010. The Board do not consider Mr Miller to be an independent Director.

Clause 14.4 of the Constitution and Listing Rules 14.4 and 14.5 require that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected (other than the Managing Director), and that an election of a Director must be held at each annual general meeting. The Directors to retire at an annual general meeting are those who have held office the longest since their last election. If two or more Directors have held office for the same period, those Directors may agree between themselves which of them will retire, otherwise they are to draw lots.

Accordingly, Mr Miller retires as a Director of the Company and being eligible, offers himself for re-election as a Director.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's biography and experience

Mr Miller is a Certified Practising Accountant, Chartered Secretary and graduate of the Australian Institute of Company Directors. He has over 30 years of financial and commercial management experience in various industries, including manufacturing, utilities and civil construction.

Mr Miller is currently chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee. Mr Miller holds securities in the Company, as detailed in his Appendix 3X lodged with ASX on 4 November 2020, available on the ASX website at www.asx.com.au (code: DUR) and on Duratec's website at www.duratec.com.au.

3.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 3 is in the best interests of the Company, as Mr Miller has a wealth of experience and expertise which is valuable to the Company. The Directors (other than Mr Miller because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

4.1 General

Listing Rule 10.17 provides that the maximum aggregate amount of the remuneration payable as Directors' fees to non-executive Directors (**NED Fee Cap**) must not be increased except with the prior approval of Shareholders. Clause 14.5 of the Constitution provides that the maximum aggregate amount of Directors' fees payable to non-executive Directors is to be determined by Shareholders in a general meeting in accordance with the Listing Rules.

The current NED Fee Cap of \$500,000 was set at the Company's 2021 AGM. The remuneration paid by the Company to the executive Directors is not included in the NED Fee Cap. The relevant remuneration is all fees payable to a non-executive Director for acting as a director of the Company (including attending and participating in any Board committee meetings) and includes superannuation contributions for the benefit of a non-executive Director and any fees which a non-executive Director agrees to sacrifice for other benefits. However, in accordance with Listing Rule 10.17, the NED Fee Cap does not include the re-imbursment of genuine out-of-pocket expenses, genuine "special exertion" fees payable in accordance with the Company's Constitution or any equity securities issued to a non-executive Director with the prior approval of Shareholders pursuant to Listing Rule 10.11 and/or 10.14.

The Directors consider it is reasonable and appropriate at this time to seek Shareholder approval for an increase to the NED Fee Cap (for the purposes of Listing Rule 10.17) in recognition of the need to pay market competitive fees to ensure the Company is able to attract and retain non-executive Directors of the requisite calibre for the Company's Board and in recognition of Directors' expanding roles of oversight given ever expanding and more onerous governance requirements. The proposed Directors' fee pool is in line with non-executive director fee pools of comparable companies. The Board does not intend to pay the full amount of the aggregate cap in the short to medium term.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the NED Fee Cap will increase from \$500,000 to a maximum of \$750,000 (an increase of \$250,000). This will allow the Company to continue to be able to pay market competitive fees to the Company's non-executive Directors.

If Resolution 4 is not passed, the NED Fee Cap will stay at \$500,000 which means the Company will not be able to increase the fees paid to its non-executive Directors in the future and may not be able to attract or retain non-executive Directors on remuneration terms commensurate with their skills and expertise and the Company's size and stage of development.

4.3 Non-executive Director remuneration

The non-executive Directors currently receive director fees as set out in the table below. No committee fees are currently payable to Directors in relation to participation in Board committees. The remuneration of each non-executive Director for the year ended 30 June 2024 is detailed in the Remuneration Report contained in the Annual Report (pages 49 to 54).

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Director	Annual Director Fees (inclusive of superannuation)
Martin Brydon (Board chair)	\$175,000
Robert (Phil) Harcourt	\$100,000
Gavin Miller	\$100,000
Krista Bates	\$100,000
Total	\$475,000

No securities have been issued to any non-executive Director under Listing Rules 10.11 or 10.14 with Shareholder approval within the past three years.

Disclosure of Directors' remuneration will continue to be made to Shareholders in each annual report in accordance with applicable statutory and ASX requirements. If Shareholder approval is obtained, the proposed NED Fee Cap will apply for the financial year ending 30 June 2025.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

4.4 Voting exclusion

A voting exclusion statement applies to Resolution 4, as set out in the Notice.

4.5 Directors' recommendation

Given the interest of the non-executive Directors in this Resolution, the Board (other than the Managing Director) makes no recommendation to Shareholders regarding this Resolution. The Managing Director recommends that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – APPROVAL TO GRANT PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR MR OATES

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 850,000 Performance Rights to Mr Chris Oates (or his nominee(s)) under the Employee Equity Plan.

5.2 Performance Hurdles

The main features of the Plan that are particular to the issue of Performance Rights are summarised in Annexure A.

Subject to Shareholder approval of Resolution 5, the Performance Rights to be granted to Mr Oates for the 2024/2025 financial year will not vest (and the underlying Shares will not be issued and depending on the participant's election the cash will not be paid) unless certain performance conditions have been satisfied. The grant of Performance Rights is designed to reward long term sustainable business performance which is aligned to the long term strategic objectives of the Company.

600,000 Performance Rights will be subject to the standard performance hurdles and 250,000 Performance Rights will be subject to the stretch hurdles.

It is proposed that 50% of Mr Oates' Performance Rights under both hurdles for the 2024/2025 financial year will be performance tested against total shareholder return (**TSR**) performance, and the other 50% be tested against earning per share (**EPS**) performance over a 3 year period from a Start Date of 1 July 2024 to a Test Date of the date of release of the financial results for the year ended 30 June 2027.

Absolute TSR

TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the growth in a company's share price over the period as well as the dividends received during that period. The formula for calculating TSR is:

$$\frac{(\text{Share Price at Test Date} - \text{Share Price at Start Date}) + (\text{Dividends Received})}{\text{Share Price at Start Date}}$$

A volume weighted average share price (**VWAP**) will be used to determine Share Price at the Start Date and Share Price at the Test Date. The VWAP for the Share Price at the Start Date is \$1.12 (based on DUR share price VWAP for June 2024) and the VWAP for the Share Price at the Test Date will be based on the VWAP over the five trading days after the Test Date.

Mr Oates' TSR performance conditions will include a threshold target of 10% per annum (compounded over the period from the Start Date to the Test Date).

The percentage of Mr Oates' Performance Rights that are tested against TSR which vest will be determined as follows:

TSR performance over the relevant Performance Period	Performance vesting outcomes (applied to 300,000 Performance Rights)
Less than 10% per annum compounded	0% vesting
10% per annum compounded	50% vesting
Between 10% and 17.5% per annum compounded	Pro-rata vesting between 50% and 100%
At or above 17.5% per annum compounded	100% vesting

Additionally, if the TSR performance over the relevant Performance Period is at or above 20% per annum compounded the additional (stretch) 125,000 Performance Rights will vest.

EPS

The Company's EPS performance will be measured in the 2027 financial year. EPS measures the portion of a company's profit allocated to each outstanding ordinary share and serves as an indicator of a company's profitability.

For the purposes of performance testing the Performance Rights, EPS in the 2027 financial year will be the Basic EPS for the year, as prescribed by the accounting standards and set out in the Company's Financial Reports, adjusted by the Board to reflect the Company's underlying profitability by removing from the calculation of profit or loss attributable to ordinary shareholders in the year non-underlying items, which include:

- (a) amortisation of acquired intangibles;
- (b) unwinding of interest on deferred acquisition consideration payments;
- (c) adjustments to the assessment of deferred consideration payable;
- (d) acquisition costs; and
- (e) finance income or expenses arising from fair value accounting adjustments relating to the Plan.

A threshold target and a stretch target will also be used for Mr Oates' EPS targets. Mr Oates will only receive Performance Rights that are tested against EPS if he achieves at least the threshold target. The Performance Rights that are tested against EPS will vest as set out in the following table.

EPS performance in 2027 financial year	Performance vesting outcomes (applied to 300,000 Performance Rights)
Less than 10% compound annual growth from EPS in the 2024 financial year	0% vesting
10% compound annual growth from EPS in the 2024 financial year	50% vesting

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EPS performance in 2027 financial year	Performance vesting outcomes (applied to 300,000 Performance Rights)
Between 10% and 17.5% compound annual growth from EPS in the 2024 financial year	Pro-rata vesting between 50% and 100%
At or above 17.5% compound annual growth from EPS in the 2024 financial year	100% vesting

Additionally, if the EPS performance over the relevant Performance Period is at or above 20% (compound annual growth from EPS in the 2024 financial year) the additional (stretch) 125,000 Performance Rights will vest.

5.3 Chapter 2E of the Corporations Act and Listing Rule 10.14

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 Performance Rights constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors. However, the Directors (other than Mr Oates) have determined that the remuneration package for Mr Oates, including the grant of the Performance Rights, constitutes reasonable remuneration having regard to the circumstances of the Company and Mr Oates (including the responsibilities involved in his office). Accordingly, and in reliance on this statutory exception to the related party requirements, Shareholder approval under Chapter 2E of the Corporations Act is not being sought in this case.

In addition, Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to:

10.14.1 a director of the entity,

10.14.2 an associate of the director, or

10.14.3 a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The grant of Performance Rights to Mr Oates falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval to the grant of the Performance Rights to Mr Oates under and for the purposes of Listing Rule 10.14.

Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to issue the Performance Rights to Mr Oates (or his nominee(s)) within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the grant of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the grant of the Performance Rights to Mr Oates will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

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If Resolution 5 is not passed, the Company will not proceed with the issue of the Performance Rights to Mr Oates under the Employee Equity Plan however, the Company will offer Mr Oates the cash equivalent subject to the same KPI's and performance hurdles.

5.4 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed grant of Performance Rights:

- (a) The Performance Rights will be granted to Mr Oates (or his nominee(s)).
- (b) Mr Oates falls within the category set out in Listing Rule 10.14.1 by virtue of him being a Director.
- (c) The maximum number of Performance Rights (being the nature of the financial benefit being provided) to be granted to Mr Oates is 850,000 Performance Rights.
- (d) Under his employment agreement as Managing Director, Mr Oates is entitled to receive a current total remuneration package for the financial year ending 30 June 2025 comprising a base salary of \$650,000, \$30,000 of superannuation, a motor vehicle allowance of \$20,000 a variable Short Term Incentive cash bonus of up to \$700,000, depending on the achievement of certain short term objectives. Subject to the approval of Resolution 5, Mr Oates will also be entitled to participate in the FY25 Long Term Incentive scheme in the form of Performance Rights in relation to the Company's performance over the period from 1 July 2024 to 30 June 2027 (refer to Annexure C for an indicative valuation of these Performance Rights).

The Remuneration Report sets out further details of Mr Oates' remuneration.

- (e) A summary of the material terms of the Performance Rights to be granted to Mr Oates are set out above and in Annexure B.
- (f) The Company has agreed to issue the Performance Rights to Mr Oates, subject to Shareholder approval, for the following reasons:
 - (i) it is appropriate to provide Mr Oates with a long term incentive element in his remuneration package;
 - (ii) Performance Rights, rather than Options, are viewed as a better alternative to remunerate executives who are tasked with achieving certain specific strategic outcomes;
 - (iii) the grant of Performance Rights is intended to align Mr Oates' performance with successful Company outcomes for the benefit of Shareholders and also to provide him with an incentive to remain in the Company;
 - (iv) the remuneration for Mr Oates, including the proposed grant of Performance Rights, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of the Managing Director of the Company and market levels of remuneration for Managing Directors of similar companies;
 - (v) the Performance Rights are unquoted securities. Accordingly, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders; and
 - (vi) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- (g) The fair value of the Performance Rights will be determined at the date the Performance Rights are granted to Mr Oates. In order to provide the information required by Listing Rule 10.15 an indicative valuation has been calculated using the valuation methodology set out in Annexure C.

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- (h) Since the Plan was last approved by Shareholders at the Company's 2022 AGM, the Company has not issued any equity securities to Mr Oates under the Plan.
- (i) The issue price of the Performance Rights will be nil. The price payable on the vesting of each Performance Right is nil and no price is payable for any Shares issued on exercise of the Performance Rights.
- (j) A summary of the material terms of the Employee Equity Plan is also set out in Annexure A.
- (k) There is no loan proposed to be provided in relation to the proposed grant of the Performance Rights to Mr Oates under the Plan.
- (l) Details of any Performance Rights granted under the Employee Equity Plan 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.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Equity Plan after Resolution 5 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in Resolution 5 of this Notice.

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GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM means an annual general meeting of shareholders;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2024;

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, Australian Securities Exchange operated by ASX Limited;

Auditor means the auditor of the Company, being RSM Australia Partners;

Auditor's Report means the Auditor's report on the Financial Report;

AWST means Australian Western Standard Time (Perth time);

Board means the board of Directors of Duratec, as constituted from time to time;

Chair means the chair of the Meeting;

Closely Related Party has the meaning given in the Corporations Act;

Company or **Duratec** means Duratec Limited ACN 141 614 075;

Constitution means the constitution of the Company adopted in 2022, as amended;

Corporations Act means the *Corporations Act 2001* (Cth), as amended;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company;

Explanatory Statement means the Explanatory Statement accompanying the Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company;

KMP means the key management personnel of Duratec from time to time;

Listing Rules means the Listing Rules of the ASX;

Meeting means the annual general meeting of Shareholders for the purpose of considering the Resolutions;

NED Fee Cap has the meaning given in Section 4.1 of the Explanatory Statement;

Notice or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement, including the Proxy Form;

Online Meeting Guide means the guide containing instructions on how to participate in the Meeting which is available online at www.computershare.com.au/virtualmeetingguide;

Performance Rights means a right to be issued a Share subject to the satisfaction of certain vesting conditions.

Proxy Form means the proxy form attached to the Notice;

Remuneration Report means the remuneration report of the Company contained in the Directors' Report;

Resolution means a resolution contained in the Notice;

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Section means a section of the Explanatory Statement;

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

Shareholder means the holder of a Share.

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ANNEXURE A

SUMMARY OF THE EMPLOYEE EQUITY PLAN

A summary of the key terms and conditions of the Employee Equity Plan is set out below:

- (a) **(Invitation to Participate)** The Board may, from time to time, in its absolute discretion, operate the Employee Equity Plan, determine which employees are eligible to participate in the Employee Equity Plan, invite employees to participate and grant Awards to employees. The Board may determine the type and number of Awards to be issued under the Employee Equity Plan and any other terms of issue of the Awards.
- (b) **(Eligibility)** Participants in the Employee Equity Plan may be:
- (i) a full-time or part-time employee;
 - (ii) an executive or non-executive director;
 - (iii) an individual who provides consultancy services (either directly or via a services company);
 - (iv) a casual employee;
 - (v) a prospective participant, being a person to whom an invitation is made but who can only accept that invitation if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (i) to (iv) above; and
 - (vi) a Related Person of any Eligible Persons covered by one of paragraphs (i) to (v) above.

A Related Person may be, subject to the Corporations Act, another person who is:

- (i) a spouse, parent, child or sibling of the Participant; or
 - (ii) another body corporate controlled by the primary participant or a person mentioned in subparagraph (i);
 - (iii) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth)) where the primary participant is a director of the body corporate; or
 - (iv) a person prescribed in relation to the primary participant by the regulations for the purposes of section 1100L of the Corporations Act; or
 - (v) any other person defined as a "related person" under section 1100L of the Corporations Act, as updated from time to time.
- (c) **(Types of Securities)** The Company may grant rights, options and/or restricted shares (each defined below) as Awards, subject to the terms of the individual offers.
- (i) Options are an entitlement to acquire a Share subject to the satisfaction of applicable conditions and the exercise of the Option on terms and conditions determined by the Board.
 - (ii) Rights are an entitlement to acquire a Share on the terms and conditions as determined by the Board.
 - (iii) Restricted Shares are Shares allocated under the Employee Equity Plan that are subject to dealing restrictions until vesting.
- (d) **(Terms of Participation)** Participants are deemed to have agreed to be bound by:
- (i) the Employee Equity Plan Rules;
 - (ii) the terms of the invitation letter received from the Company;
 - (iii) the Constitution of the Company;
 - (iv) the Company's Securities Trading Policy; and
 - (v) any other relevant Company policies.
- (e) **(Participant Shareholder Entitlements)** For each Right or Option allocated, a Participant shall not be entitled to vote, receive dividends or distributions or have any other rights of a shareholder in respect of the Rights or Options until the underlying Shares are allocated following vesting and, if applicable,

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exercise of the Options. For each Restricted Share allocated, a Participant is entitled to vote, receive dividends or distributions, and have any other rights of an ordinary shareholder.

- (f) **(Lapse of Awards)** Subject to the Board's absolute discretion, a Participant's unvested Awards will lapse in whole or in part upon the earliest of:
- (i) the date specified in the grant letter, or if no date is specified, 15 years after the Award was granted to the participant;
 - (ii) a circumstance or event described in the Employee Equity Plan Rules or the grant letter that has the effect of lapsing an Award; or
 - (iii) any condition imposed under the Employee Equity Plan rules or a grant letter not being satisfied.
- (g) **(Transferability)** Unless the Board determines otherwise, an Award is only transferable with the written consent of the Board.
- (h) **(Vesting of Awards)** The Board will determine the extent to which Awards vest and the date that the Awards will vest. In making this determination the Board will, to the extent relevant to the Award:
- (i) test or measure the applicable vesting conditions and determine the extent to which the conditions have been satisfied and Awards vest; and
 - (ii) determine whether any dealing restrictions apply after vesting of Awards.
- (i) **(Ceasing Employment)** If a Participant ceases to be an employee by reason of termination for cause (including gross misconduct), all Awards (whether vested or unvested) will lapse immediately, unless determined otherwise by the Board. Upon the employee's resignation, any unvested Awards will lapse immediately, while vested Awards that require exercise will lapse if the Participant does not exercise the Award within 60 days of ceasing employment.

Unless determined otherwise by the Board, if a Participant ceases to be an employee due to death, all unvested Awards will immediately vest and be transferred to the Participant's estate.

In all other circumstances, if a participant ceases to be an employee prior to the Awards vesting, a pro-rata number of the Participant's unvested Awards may vest (based on the proportion of the period that has elapsed at the time of cessation) on the original vesting date. Any remaining unvested Awards lapse immediately.

However, the Board retains absolute discretion to determine the treatment of vested or unvested Awards or the number of unvested Awards that will vest or lapse upon a Participant ceasing to be an employee.

- (j) **(Variations of Capital)** If there is a variation of capital event the Board in its absolute discretion may adjust:
- (i) the number of Rights or Options to which a Participant is entitled (including granting or lapsing Rights or Options);
 - (ii) the exercise price of Rights or Options; or
 - (iii) the amount payable for the acquisition of a Right or Option.

It is intended that the Board would exercise its discretion to ensure that Participants do not enjoy a windfall gain and do not suffer a material detriment as a result of any corporate action.

If new Rights or Options are granted as part of such an adjustment, or Shares are allocated to a Participant with respect to Restricted Shares as a result of a Variation of Capital, such Awards will, unless the Board determines otherwise, be subject to the same terms and conditions as the original Awards, including without limitation, any condition.

If there is a reorganisation of capital, the rights of each Participant who has been allocated Awards will be adjusted in the manner required by the Listing Rules applying at the time of the reorganisation.

If there is a pro-rata issue or bonus issue of new Shares to Shareholders:

- (i) each Participant who has been allocated Restricted Shares will participate in the issue in the same manner as Shareholders;
- (ii) each Participant who has been allocated Rights or Options may not participate in the new issue unless his or her Rights or Options have vested and if applicable been exercised in accordance with these Employee Equity Plan Rules; and

(iii) the exercise price, or number of Shares over which the Rights or Options may vest or may be exercised, as applicable, will, in the case of a pro-rata issue, be adjusted in accordance with Listing Rule 6.22.2 (or any replacement rule) and, in the case of a bonus issue, be adjusted in accordance with Listing Rule 6.22.3 (or any replacement rule).

(k) **(Change of Control)** Upon a change of control event, the Board may determine in its absolute discretion the treatment of the Participant's Awards and the timing of such treatment.

If the Board does not exercise its discretion, a pro-rata number of the Participant's unvested Awards will vest (based on the proportion of the period that has elapsed at the time of a change of control).

Where a Participant holds a vested Award at the date of the Change of Control:

(i) for each vested Right or Option requiring exercise, the Participant shall have 30 days from the date of the change of control, or such other period as the Board determines, in which to exercise the Award. Any Awards not exercised within this period will lapse;

(ii) for each vested Right not requiring exercise, the Company shall have 30 days from the date of the change of control, or such other period as the Board determines, in which to settle the Award; or

(iii) for each vested Restricted Share, the Company shall have the disposal restrictions lifted within 30 days from the date of the change of control, or such other period as the Board determines.

(l) **(Variation or Clawback of Awards)** The Board may:

(i) vary downwards (including to nil) the number of Shares in respect of which an Award vests;

(ii) transfer Shares held by or on behalf of a Participant or former Participant to a holding determined by the Board;

(iii) where Shares have been sold, require a Participant or former Participant to pay an amount to the Company; or

(iv) determine any treatment in relation to an Award the Board deems fit,

if in its discretion the Board determines that the performance of the group, the Participant or a former Participant justifies the variation.

(m) **(Other Terms)** Notwithstanding any provision in these Rules or the Grant Letter, no Award or Shares may be granted, issued, allocated, acquired, transferred or otherwise dealt with under the Rules if doing so would contravene the Constitution, the Corporations Act, Listing Rules, or any other applicable Law or require the Company or a Group Company to pay, provide or procure the payment or provision of money or benefits which would require Shareholder approval under Part 2D.2, Division 2 of the Corporations Act, unless Shareholder approval has been obtained.

The Employee Equity Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

ANNEXURE B

SUMMARY OF THE MATERIAL TERMS OF PERFORMANCE RIGHTS

1. Each Performance Right entitles the holder (**Holder**) to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) upon satisfaction of the Vesting Condition (defined below).
2. The Company must give written notice to the Holder promptly following satisfaction of a Vesting Condition (defined below) or lapse of a Performance Right where the Vesting Condition is not satisfied.
3. Vesting and Conversion of the Performance Rights:
 - a. The Performance Rights will vest on satisfaction of the relevant Vesting Conditions attaching to the grant of the Performance Rights.
 - b. If the Vesting Condition is not deemed to have been satisfied by 30 June 2027, then the Performance Rights will automatically lapse.
 - c. The Company must issue the Shares on conversion of Performance Rights within five (5) Business Days following the conversion or such other period required by the Listing Rules.
 - d. The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within ten (10) Business Days following the issue of the Share.
 - e. The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.
4. A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
5. A Performance Right does not entitle the Holder to any dividends.
6. A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
7. A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
8. A Performance Right is not transferable.
9. If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable Listing Rules and Corporations Act at the time of reorganisation.
10. The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the Listing Rules.
11. A Performance Right does not entitle a Holder (in its capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
12. A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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ANNEXURE C

VALUATION OF PERFORMANCE RIGHTS

The number of Performance Rights to be granted to Mr Oates is fixed, and the value will change as the underlying Share price changes. The indicative fair value of the Performance Rights as at the date of this Notice, based upon the closing Share price on 16 October 2024 of \$1.605, is set out in the table below:

	TSR component	EPS component
Number of Performance Rights	425,000	425,000
Fair value per Performance Right	\$1.605	\$1.605
Total	\$682,125	\$682,125

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Need assistance?

**Phone:**

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

**Online:**

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Wednesday, 20 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 and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at 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: 184049**

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

By Mail:

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

By Fax:

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



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

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.

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

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Duratec Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair 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 Chair 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 Duratec Limited to be held as a virtual meeting via live webcast on Friday, 22 November 2024 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair 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 Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair 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
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Robert Harcourt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Gavin Miller as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Maximum Aggregate Remuneration for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to grant Performance Rights to Executive Director Mr Oates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair 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 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

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



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