



CORPORATE GOVERNANCE STATEMENT

The Board of DUG Technology Ltd ACN 169 944 334 (**DUG or the Company**) is committed to maximising performance, generating appropriate levels of shareholder value and financial returns, and sustaining the growth and success of DUG. With these objectives in mind, the Board is concerned to ensure that DUG is properly managed to protect and enhance shareholder interests and that DUG, its directors, officers and employees, operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing DUG including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for DUG's business and which are designed to promote the responsible management and conduct of DUG.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines. Under the ASX Listing Rules, DUG is required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where DUG does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not doing so.

The ASX Corporate Governance Council recently released its 4th edition of the ASX Recommendations for Australian entities, which applies to DUG as an ASX listed entity. To promote good corporate governance and a strong understanding of these principles, DUG has prepared its corporate governance policies so as to be practically fully compliant with the 4th edition of the ASX Recommendations.

The main policies and practices adopted by DUG, which apply to an ASX listed entity are summarised below. In addition, many governance elements are contained in the Company's constitution.

Except as set out below, DUG does not anticipate that it will depart from the recommendations of the ASX Recommendations, however, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

Copies of DUG's key policies and practices and the charters for the Board and each of its committees are available at www.dug.com.

Recommendations (4 th edition)	Comply	Explanation
Principle 1 - Lay solid foundations for management and oversight		
1.1	Yes	DUG has a <i>Board Charter</i> setting out the respective roles and responsibilities of its Board and management and matters to be reserved to the Board and delegated to management.
1.2	Yes	Appropriate checks including criminal record checks have been carried out on all Board members, prior to their appointment. DUG will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director at future annual general meetings.
1.3	Yes	All directors and the leadership team have a written agreement with DUG setting out the terms of their appointment.
1.4	Yes	DUG's company secretary is accountable directly to the Board, through the chair on all matters to do with the proper functioning of the Board.
1.5	Yes	The Board has adopted a <i>Diversity Policy</i> (a copy of which is on DUG's website). The <i>Diversity Policy</i> requires the Board to set measurable objectives for obtaining gender diversity in the composition of its board, senior executives and workforce generally. DUG is committed to establishing measurable objectives for achieving gender diversity, promoting diversity among the Board, leadership team and other employees and

CORPORATE GOVERNANCE STATEMENT

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		keeping shareholders informed of its progress towards implementing and achieving its diversity objectives.
1.6	Yes	At least once per year the Board will, with the advice and assistance of the Remuneration and Nomination Committee, review and evaluate the performance of the Board, each board committee and each director against the relevant charters, corporate governance policies, and agreed goals and objectives. A performance review was completed during the financial year ended 30 June 2021.
1.7	Yes	Performance reviews for Executive Directors and Senior Management will take place at least annually. The Remuneration and Nomination Committee has accountability in its Charter to oversee these reviews and report to the Board on their outcomes. DUG intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.
Principle 2 - Structure of the Board to be effective and add value		
2.1	Yes	The Board has formed a Remuneration and Nomination Committee. The Charter for this Committee is available on DUG's website. Membership of the Remuneration and Nomination Committee is the Independent Chairman, Hon. Mr Martin, Independent Non-Executive Director Mr Sciarrone, Independent Non-Executive Director Mr Puzey and with the Managing Director Dr Lamont and Head of Human Resources, Ms Leong, as standing observers.
2.2	Yes	In establishing the Board, regard was had to the skills and expertise required of the directors relevant to DUG's business and as an ASX listed company. Directors with the desired skills and expertise were carefully selected for appointment to the Board.
2.3	Yes	The Company has disclosed the full details of directors, their skills, experience, board appointment date and independence on the Company's website.
2.4	Yes	The <i>Board Charter</i> sets out the criteria adopted by the Board for considering if a director is independent. The Board is comprised of five members, three of whom are independent. Together, the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of DUG.
2.5	Yes	The <i>Board Charter</i> provides that, where practical, the Chair of the Board should be an independent director and should not hold the role of CEO (or equivalent). The Chairperson of DUG is an independent director and is not the managing director.
2.6	Yes	In accordance with DUG's <i>Board Charter</i> , the Remuneration and Nomination Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for directors to ensure that they can effectively discharge their responsibilities. The company secretary is responsible for facilitating inductions and professional development in laws, regulations and accounting standards relevant to DUG.
Principle 3 - Instil a culture of acting lawfully, ethically and responsibility		
3.1	Yes	DUG'S core values are: Integrity, boldness, innovation, respect, and being a fun and challenging place to work. These values underpin DUG's business and corporate



CORPORATE GOVERNANCE STATEMENT

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		governance. DUG will also ensure its values are disclosed on its website and in annual reports to shareholders.
3.2	Yes	The Board has adopted a <i>Code of Conduct</i> applicable to all directors, senior executives and employees, a copy of which is disclosed on DUG's website. Any material breaches of the <i>Code of Conduct</i> are reported to the Board or a committee of the Board.
3.3	Yes	DUG has adopted a <i>Whistleblower Policy</i> which is available on DUG's website. Any material breaches of the <i>Whistleblower Policy</i> are to be reported to the Board or a committee of the Board.
3.4	Yes	DUG has adopted an <i>Anti-Bribery and Corruption Policy</i> which is available on DUG's website. Any material breaches of the <i>Anti-Bribery and Corruption Policy</i> are to be reported to the Board or a committee of the Board.
Principle 4 - Safeguard the integrity of corporate reports		
4.1	Yes	The Board has established an Audit and Risk Management Committee. This Committee is comprised of only non-executive directors, being Independent Chair of the Committee, Mr Puzey, Mr Sciarrone and Ms Bower, with DUG Chair, Hon. Mr Martin as a standing observer. A copy of the <i>Audit and Risk Committee Charter</i> is on DUG's website.
4.2	Yes	The Managing Director and Head of Finance provide a written declaration pursuant to s295A of the Corporations Act for half and full year accounts.
4.3	Yes	DUG will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.
Principle 5 - Make timely and balanced disclosure		
5.1	Yes	The Board has established a written <i>Continuous Disclosure and Market Communication Policy</i> to ensure compliance with ASX Listing Rule 3.1 disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The <i>Continuous Disclosure and Market Communication Policy</i> is on DUG's website.
5.2	Yes	DUG will ensure that its Board receives copies of all the material market announcements promptly after they have been made.
5.3	Yes	It is the intention of DUG that in the event that DUG gives a new and substantive investor or analyst presentation, DUG will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
Principle 6 - Respect the rights of Shareholders		
6.1	Yes	DUG has established a website which provides information on DUG's business, directors and executives (including photographs and bios), and other information relevant to its investors. The website also has a separate corporate governance area, which provides details of all DUG's corporate governance policies, its constitution and summary of values. The website also acts as a key communication tool between DUG and its shareholders, enabling shareholders to access DUG's ASX announcements.
6.2	Yes	The Board recognises the importance of having an investor relations program which facilitates two-way communication and as such intends to have transparent and open

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		engagement with both retail and institutional investors and other relevant stakeholders. This will include engaging with shareholders at Annual General Meetings and meeting with shareholders or other stakeholders on request.
6.3	Yes	The Board has adopted a <i>Continuous Disclosure and Market Communication Policy</i> and will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the Shareholder is able to attend. A copy of the <i>Continuous Disclosure and Market Communication Policy</i> is on DUG's website.
6.4	Yes	DUG will ensure that all substantive resolutions (as opposed to procedural resolutions) at Shareholder meetings are decided by a poll rather than a show of hands.
6.5	Yes	All Shareholders will be able to communicate with DUG and its Share Registry electronically, which is an encouraged method of communication.
Principle 7 - Recognise and manage risk		
7.1	Yes	The Board has established a combined Audit and Risk Committee to oversee risk management, including monitoring DUG's performance against its risk management framework and managing internal audits and based on audits or investigations making recommendations to the Board. A copy of the <i>Audit and Risk Management Committee Charter</i> is on DUG's website.
7.2	Yes	The Board has a risk management framework and has appointed the Audit and Risk Committee to assist it with discharging its oversight function in respect of its material business risks and to determine if the system of risk management is sound and that DUG is operating with due regard to the risk appetite set out by the Board. Outcomes of those reviews will be reported in future corporate governance statement annually.
7.3	Yes	The <i>Audit and Risk Committee Charter</i> provides for the Audit and Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.
7.4	Yes	The Board expects a report on the risk management framework following the first financial year after its listing on the ASX and has requested that management address economic, conduct risk, digital disruption, cyber-security, privacy and data breaches and environmental and sustainability risks. The outcome of such reviews will be reported in future annual reports.
Principle 8 - Remunerate fairly and responsibly		
8.1	Yes	The Board has formed a combined Remuneration and Nomination Committee. A copy of the <i>Remuneration and Nomination Committee Charter</i> is available on DUG's website.
8.2	Yes	The Board has adopted a <i>Board Charter</i> for directors, which is on its website and amongst other things describes the roles of executive and non-executive directors, as well as other senior executives and considerations for deciding remuneration of directors, including the granting of equity incentives.
8.3	Yes	A copy of the Company's <i>Securities Trading Policy</i> is available on DUG's website. The Board has also adopted a Long Term Incentive Plan. Both the <i>Securities Trading Policy</i> and the Long Term Incentive Plan were submitted to the ASX upon the Company's Listing.