



# ASX Release

23 October 2023

## Notice of Annual General Meeting

DUG Technology Ltd (ASX: DUG) (“**DUG**” or the “**Company**”) is pleased to advise that the 2023 Annual General Meeting will be held on Thursday 23 November 2023 at 4.00pm (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 2023;
- Proxy Form; and
- Letter to Shareholders.

An email will be sent to shareholders today 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)

## About DUG

DUG is an ASX listed technology company, headquartered in Australia, that specialises in analytical software development and reliable, green, high-performance computing (HPC). The company 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 is a global company with offices in Perth, London, Houston and Kuala Lumpur, supporting a diverse industrial client-base that includes radio-astronomy, biomedicine and meteorology, as well as the resource, government and education sectors. DUG designs, owns, and operates a network of some of the largest and greenest 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: Thursday 23 November 2023

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

Time of Meeting: 4.00pm (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 Thursday 23 November 2023 at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 at 4.00pm (AWST).

This Notice of Meeting 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 2023.

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 2023 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 Ms Louise Bower 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, Ms Louise Bower, 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 – 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 sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 256,941 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 5. Resolution 4 – 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 4 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 4.

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## Item 6. Resolutions 5(a) and 5(b) - Ratification of prior issue of Zero Exercise Price Options under Company's Omnibus Long Term Incentive Plan

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

- (a) 793,831 Zero Exercise Price Options in the Company to executives of the Company; and
- (b) 470,425 Zero Exercise Price Options in the Company to employees of the Company,

*under the Company's Omnibus Long Term Incentive Plan on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 5(a) or 5(b) by or on behalf of any person who participated in the issue under the Company's Omnibus Long Term Incentive Plan, or any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 5(a) or 5(b) by:

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

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**Item 7. Resolution 6 - Adoption of Company's Omnibus Long Term Incentive Plan**

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

*"That, for the purposes of ASX Listing Rule 7.2 exception 13, and for all other purposes, approval is given for the issue of securities under the Company's Omnibus Long Term Incentive Plan, as described in the Explanatory Memorandum during the three years following the date of this meeting."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who is eligible to participate in the Company's Omnibus Long Term Incentive Plan, or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

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

- the Chair of the Meeting 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 of the holder to vote in that way.

**Voting Prohibition Statement:**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- the proxy is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; and
- the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exceed the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

**Item 8. 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: 23 October 2023

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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 4.00pm (AWST) on Tuesday, 21 November 2023.

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 and 3, 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 and 4, 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 Resolution 1 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 Resolution 1 and 4, 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 4.00pm (AWST) on Tuesday 21 November 2023:**

- 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 visiting [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 4.00pm (AWST) on Tuesday 21 November 2023 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 Thursday 23 November 2023 at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 at 4.00pm (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 2022 to 30 June 2023 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 2023 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 2022 was adopted at the 2022 Annual General Meeting of the Company held on 24 November 2022 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.

### ***Recommendation***

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

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## **Item 3. Resolution 2 – Re-election of Ms Louise Bower 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, Ms Bower retires by rotation and being eligible, submits herself for re-election at the Annual General Meeting as a Director.

Ms Bower has over 25 years’ experience. During her time as the Company’s CFO (2009-2021), Ms Bower was responsible for global commercial operations including financial planning, management of financial risks and governance. Prior to joining DUG, Ms Bower held financial roles in different industry sectors and jurisdictions, including South African and the United Kingdom.

Ms Bower is currently Non-Executive Director and Audit & Risk Committee Chair of Babylon Pump & Power Ltd (ASX:BPP) and Non-Executive Director and Audit Committee Chair of Lycopodium Ltd (ASX:LYL).

Ms Bower holds an honours degree in accounting science and a chartered accountant qualification.

Ms Bower was appointed to the DUG Board on 5 June 2014 and is a member of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

**Recommendation**

As Ms Bower possesses highly relevant skills and experience, your Directors (other than Ms Bower as an abstention) unanimously recommend that Shareholders vote in favour of Resolution 2.

**Item 4. Resolution 3 – Approval to Issue Zero Exercise Price Options to Director – Dr Matthew Lamont (or his nominee)**

**General**

As announced on 18 October 2023, the Company proposes, subject to Shareholder approval, to issue 256,941 Zero Exercise Price Options with an expiry date of 30 June 2038 (“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	Closing Balance	Vested & Exercisable
			Shares Awarded	Award Date	Vesting Date	Issue Price			
Dr Matthew Lamont	2023	576,457	-	N/A	N/A	N/A	-	576,457	539,190
	2022	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 - Granted 21 Dec 2022	-	381,352	-	-	-	-	-	-	381,352
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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) subject to the performance of the volume weighted average price (“**VWAP**”) of an ordinary share in the Company (**Share**) over the 1 month up to and including 30 June 2026 (“**Final Share Price**”) (see below for more detail); and
- (b) provided that the 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 June 2026.

The Final Share Price condition will be satisfied in accordance with the following schedule:

Final Share Price	Proportion of Awards that will satisfy the Final Share Price performance condition
Less than \$2.00	Nil
From \$2.00 to less than \$2.60	35%
From \$2.60 to less than \$3.30	65%
From \$3.30 and above	100%

### 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.

### **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 10.14**

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

If Resolution 3 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 256,941.
- (d) Details of Dr Lamont's remuneration package is set out at page 21 of the Annual Report FY23. 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 (Estimate)	490,800	72,456	27,399



- (e) 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	Closing Balance	Vested & Exercisable
			Shares Awarded	Award Date	Vesting Date	Issue Price			
Dr Matthew Lamont	2023	576,457	-	N/A	N/A	N/A	-	576,457	539,190
	2022	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 - Granted 21 Dec 2022	-	381,352	-	-	-	-	-	-	381,352

- (f) 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.
- (g) The ZEPOs will be issued on the terms and conditions in Annexure 'A'.
- (h) 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
  - (i) 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.
- (i) The value of the ZEPOs proposed to be granted to Dr Lamont and the pricing methodology is set out in Annexure 'B'.
- (j) 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.
- (k) The ZEPOs will be issued for nil cash consideration and will be provided as an incentive component to Dr Lamont's remuneration package.

- (l) A summary of the material terms of the LTIP is set out in Annexure 'C'.
- (m) No loan will be made to Dr Lamont (or his nominee) in respect to the issue of the ZEPOs.
- (n) 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.
- (o) 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 of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- (p) A voting exclusion statements is included in this Notice of Meeting.

**Recommendation:**

The Board (other than Dr Lamont as an abstention) recommend you vote in favour of Resolution 3.

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## Item 5. Resolution 4 – 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 \$211M (based on the number of Shares on issue and the closing price of Shares on ASX on 9 October 2023).

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 4 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 2022 AGM ("**Previous Approval**"). This Previous Approval will lapse on the earlier of Monday 27 November 2023 (the date of the first business day that is 12 months after the date of the 2022 AGM at which the approval is obtained) or the time and date of the 2023 AGM. The Company has not issued, or agreed to issue, any securities under the 10% Placement Facility approved by Shareholders at the 2022 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.A

## Technical information required by ASX Listing Rule 14.1A

The effect of Resolution 4 will be to permit the Company to issue the Shares under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 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 4, 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 4 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 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 4 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 9 October 2023, being \$1.79, (current market price), where the issue price is halved, and where it is doubled; and
- (iii) that the dilution 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		
		\$0.895 Issue Price at half the current market price	\$1.79 Issue Price at current market price	\$3.58 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	\$10,572,043	\$21,144,085	\$42,288,170
	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	\$15,858,064	\$31,716,128	\$63,432,255
	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	\$21,144,086	\$42,288,172	\$84,576,343
	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 9 October 2023.
- (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 24 November 2022. 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

#### ***Recommendation***

The Board unanimously recommend that Shareholders vote in favour of Resolution 4.

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## **Item 6. Resolutions 5(a) and 5(b) - Ratification of prior issue of Zero Exercise Price Options under Company's Omnibus Long Term Incentive Plan**

### **Background**

The Company has issued a tranche of ZEPOs to Company executives and employees under the Company's existing LTIP using the Company's Listing Rule 7.1 capacity, as follows:

- (a) 793,831 ZEPOs to Company executives (**Executive ZEPOs**); and
  - (b) 470,425 ZEPOs to Company employees (**Retention ZEPOs**).
- (**LTIP ZEPOs**)

Subsequent shareholder approval is being sought for the issue of the LTIP ZEPOs.

### **ASX Listing Rules 7.4**

Shareholder ratification is being sought pursuant to Listing Rule 7.4 for the issue of the ZEPOs, so that it does not count towards the Company's placement capacity afforded by ASX Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The issue of the LTIP ZEPOs does not fit within any applicable exceptions and it therefore uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date. The Company's LTIP has not been further adopted /

approved by Shareholders since it was approved on listing in August 2020. Approval for the LTIP is being refreshed at this AGM.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made provided that the previous issue did not breach Listing Rule 7.1. If they do, the issue is taken to be approved under Listing Rule 7.1 and therefore does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule.

If Resolution 5(a) is passed, the Executive ZEPOs will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 5(b) is passed, the Retention ZEPOs will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 5(a) is not passed, the Executive ZEPOs will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval for the 12-month period following the issue date.

If Resolution 5(b) is not passed, the Retention ZEPOs will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval for the 12-month period following the issue date.

#### **ASX Listing Rule 7.5**

In accordance with Listing Rule 7.4, the following information is provided in relation to the proposed issue of the LTIP ZEPOs:

- (a) The Executive ZEPOs have been issued to the executives of the Company and the Retention ZEPOs have been issued to employees of the Company.
- (b) The total number of LTIP ZEPOs issued was 1,264,256 comprising of 793,831 Executive ZEPOs and 470,425 Retention ZEPOs.
- (c) The date on which the Executive ZEPOs were issued was 18 October 2023 and the date on which the Retention ZEPOs were issued was 18 October 2023.
- (d) The LTIP ZEPOs were issued for nil consideration.
- (e) The LTIP ZEPOs were issued to incentivise and retain executives and employees of the Company. No funds were raised from the initial grant of the LTIP ZEPOs under the LTIP.
- (f) The Executive ZEPOs were issued on the terms and conditions in Annexure "A" and pursuant to the LTIP, a summary of which is set out in Annexure "C".
- (g) The Retention ZEPOs were issued on the terms and conditions in Annexure "D" and pursuant to the LTIP, a summary of which is set out in Annexure "C".
- (h) A voting exclusion statement is included in the Notice.

#### **Additional information**

Resolutions 5(a) and 5(b) are separate ordinary resolutions.



## **Recommendation**

The Board recommends that you vote in favour of Resolution 5(a) and 5(b).

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## **Item 7. Resolution 6 - Adoption of Company's Omnibus Long Term Incentive Plan**

### **Background**

ASX Listing Rule 7.1 provides that a listed company must not, without prior approval of its shareholders, issue or agree to issue equity securities if the number of equity securities issued or agreed to be issued, or when aggregated with the number of equity securities issued by the company during the 12 months immediately preceding the date of issue or agreement, exceeds 15% of the number of shares on issue at the start of that 12 month period subject to a number of exceptions under the ASX Listing Rules.

Listing Rule 7.2, exception 13 provides an exception to ASX Listing Rule 7.1 such that an issue of equity securities under an employee incentive scheme is excluded from the calculation of the Company's 15% limit in Listing Rule 7.1 if, within three years before the issue date one of the following has occurred:

- (a) in the case of a scheme established before the entity was listed, a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the Prospectus; or
- (b) ordinary shareholders have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1 in accordance with the Listing Rules.

A summary of the terms of the Company's LTIP was set out in the Company's prospectus dated 10 July 2020 and set out again in Annexure "C".

If Shareholders approve Resolution 6, any issue of securities under the LTIP during the 3 year period after the AGM will not use up any of the Company's 15% capacity on issuing Equity Securities without shareholder approval. Notwithstanding this exception, an issue of Equity Securities under the LTIP to Directors or associates, will require shareholder approval under Listing Rule 10.14, as such persons are deemed related parties of the Company.

If Shareholders do not approve Resolution 6, the issue of securities under the LTIP will be included in calculating the Company's 15% capacity 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 issue of the securities.

An approval under this Resolution is only available to the extent that:

- (a) any issue of Equity Securities under the LTIP does not exceed the maximum number of securities proposed to be issued as set out in this Notice under Resolution 6; and
- (b) there is no material change to the terms of the LTIP.

### **Listing Rule 7.2 Exception 13 (b)**

For the purposes of ASX Listing Rule 7.2 exception 13 the following information is provided:

- (a) a summary of the terms of the LTIP is set out in Annexure C of this Explanatory Memorandum;
- (b) a total of 3,070,742 equity securities have been issued under the LTIP since the date of the last approval, 10 August 2020;

- (c) subject to shareholder approval, as at the date of this Notice, the current intention is that the maximum number of equity securities proposed to be issued under the Plan is 1,595,567 equity securities; and
- (d) a voting exclusion statement is included in the Notice.

**Recommendation**

As each Director is eligible to participate in the LTIP, the Directors make no recommendation as to how Shareholders should vote on Resolution 6.

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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:

**Annual General Meeting, AGM or Meeting** means the 2023 Annual General Meeting of the Company convened by the Notice of Annual General Meeting.

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

**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 of Meeting.

**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 2023 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.

**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.

## 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 June 2038 ("**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 subject to the performance of the volume weighted average price ("**VWAP**") of an ordinary share in the Company (**Share**) over the 1 month up to and including 30 June 2026 ("**Final Share Price**") (see below for more detail); and
- ii. provided that the participant remains continuously employed or engaged by a member of the Group at all times from the Grant Date of the Awards to 30 June 2026.

The Final Share Price condition will be satisfied in accordance with the following schedule:

Final Share Price	Proportion of Awards that will satisfy the Final Share Price performance condition
Less than \$2.00	Nil
From \$2.00 to less than \$2.60	35%
From \$2.60 to less than \$3.30	65%
From \$3.30 and above	100%

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:

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

- ii. 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 will be Equity Settled only and not Cash Settled.

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

(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 3 have been valued by an external accounting firm. The value was determined according to AASB 2: Share Based Payments at a deemed grant date of 22 September 2023.

The ZEPOs have market vesting conditions (ie the Company achieving an absolute share price performance hurdle) and are valued using the Monte Carlo valuation model.

The key assumptions and valuations are as follows:

Item	Assumption
Valuation date	22 September 2023
Share price at grant valuation date	\$1.90
Performance vesting condition	Continuous employment through vesting period and absolute share price performance hurdles
Performance end date	30 June 2026
Effective life	2.77 years
Exercise price	Nil
Expected future volatility	55.0%
Risk free interest rate	4.07%
Expected dividend yield	Nil
Valuation per ZEPO	\$1.127
Implied discount to share price	40.7%



## 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.

## **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 Shares 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 - Terms and Conditions of the LTIP Retention 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 June 2038 ("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 provided that the participant remains continuously employed or engaged by a member of the Group at all times from the Grant Date of the Awards to 30 June 2026.

### **(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
- (ii) at any time:
  - A. between the date of provision (or deemed date of provision) of the Confirmation Notice and the Expiry Date relating to that Award; and
  - B. 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 will be Equity Settled only and not Cash Settled.

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

(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 rights.



**DUG Technology Ltd**  
ACN 169 944 334

## 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 **4:00pm (AWST) on Tuesday, 21 November 2023.**

# 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: 183276**

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.



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

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of 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 Thursday, 23 November 2023 at 4:00pm (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, 3 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 6 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, 3 and 6 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 Ms Louise Bower as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue Zero Exercise Price Options to Director - Dr Matthew Lamont (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5a	Ratification of prior issue of Zero Exercise Price Options to executives of the Company under Company's Omnibus Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5b	Ratification of prior issue of Zero Exercise Price Options to employees of the Company under Company's Omnibus Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of Company's Omnibus Long Term Incentive Plan	<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  / /  
 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



23 October 2023



Dear Shareholders

**DUG Technology Ltd 2023 Annual General Meeting**

On behalf of the Board of DUG Technology Ltd ("**DUG**" or the "**Company**"), I am pleased to provide notice of the 2023 Annual General Meeting to be held on Thursday 23 November 2023 at The Kings Park Room, Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 at 4.00pm (AWST) ("**AGM**" or "**Meeting**").

In accordance with the *Corporations Act 2001 (Cth)*, the Company will not be sending hard copies of the Notice of Meeting and Explanatory Memorandum ("**Notice of Meeting**") or its 2023 Annual Report to Shareholders unless a Shareholder has requested to receive these documents from the Company in physical form. The Company's Notice of Meeting and 2023 Annual Report can both be viewed and downloaded from the Company's website at: <https://dug.com/investor-centre/asx-announcements/>

The Board recommends that shareholders carefully read the Notice of Meeting in full before making a decision in relation to any of the resolutions. If shareholders are in any doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

A copy of your personalised proxy form is enclosed for your convenience. If you would like to vote by proxy instead of attending the AGM, please ensure that your proxy form is completed and lodged before **4.00pm (AWST) on Tuesday 21 November 2023**.

Shareholders are encouraged to submit questions in advance of the AGM by emailing the questions to the Company Secretary at [investor@dug.com](mailto:investor@dug.com) before 4.00pm (AWST) on Tuesday 21 November 2023.

If the above arrangements concerning the AGM change, Shareholders will be updated via the ASX Market Announcements Platform at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at: <https://dug.com/investor-centre/asx-announcements/> before the commencement of the AGM.

Further information about the AGM is contained in the Notice of Meeting. If you have difficulties obtaining a copy of the Notice of Meeting, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Matthew Lamont'.

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