



ASX Announcement

ASX: DUB

27 October 2020

Changes to Executive Director Appointments and Remuneration

This announcement sets out information on the adoption by Dubber Corporation Limited (ASX:DUB) (**Dubber** or **Company**) of a new executive remuneration framework, underpinning a new agreement and changes to the remuneration arrangements with Managing Director, Mr Stephen McGovern, and the change of role of Mr Peter Pawlowitsch to Executive Director.

Remuneration Review and New Remuneration Framework

Earlier this year, the Company engaged BDO to undertake a comprehensive independent review of its remuneration framework and produce a remuneration benchmarking report for the Company's executive team and non-executive directors.

Following this review, in conjunction with BDO the Company established a new executive remuneration framework to apply with effect from 1 July 2020 through to 30 June 2023. The new framework has been developed taking into account the size of the Company's business, the size of the management team for the business, the nature and stage of development of current operations, market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The review also included recommendations on the design and operation of short term and long term incentive plans for the Company's executives.

Short term incentives are broadly linked to the delivery of annual operational objectives and are set annually. Payment is made in the form of equity for the 2020/21 financial year and equity and/or cash for subsequent years at the election of the executive.

Long term incentives focus on the delivery of strategic objectives and creation of sustainable shareholder value. Long term incentive remuneration is payable in equity only.

Further details on the review and new framework are set out in the Company's 2020 Notice of Annual General Meeting.

Changes to Managing Director Remuneration and New Agreement

The Company has today entered into a new executive service agreement with Managing Director, Mr Stephen McGovern, with effect from 1 July 2020.

The agreement recognises Mr McGovern's continued service to the Company since his initial appointment in February 2015 and provides for a minimum three year term (until 30 June 2023) unless otherwise terminated in accordance with provisions for termination in the agreement.

The agreement also provides for a change in Mr McGovern's remuneration in line with the newly adopted Dubber remuneration framework.

A summary of the key terms of the agreement (including the change in remuneration) is set out in the annexure to this announcement.



Change of Role of Peter Pawlowitsch to Executive Director

The Company has appointed Non-Executive Director, Mr Peter Pawlowitsch to the new role of Executive Director – Commercial and Strategy, under a new executive service agreement entered into today, with effect from 1 July 2020.

Mr Pawlowitsch has been a Non-Executive Director of the Company since before the listing of the Dubber business in March 2015. This change of role follows Mr Pawlowitsch having regularly provided key services to the Company in connection with its commercial activities outside of day-to-day operations in the past, particularly in respect of M&A activity.

This change appropriately brings Mr Pawlowitsch within the Company's executive team and new remuneration framework. The role performed represents 40% full-time loading and is reflected accordingly in his remuneration. He will no longer receive director's fees for his role as a director of the Company.

A summary of the key terms of the agreement (including remuneration) is set out in the annexure to this announcement.

This ASX announcement has been approved for release to ASX by the Company's Board of Directors.

About Dubber:

Dubber is unlocking the potential of voice data from any call or conversation. Dubber is the world's most scalable Unified Call Recording service and Voice Intelligence Cloud adopted as core network infrastructure by multiple global leading telecommunications carriers in North America, Europe and Asia Pacific. Dubber allows service providers to offer call recording for compliance, business intelligence, sentiment analysis, AI and more on any phone. Dubber is a disruptive innovator in the multi-billion dollar call recording industry, its Software as a Service offering removes the need for on premise hardware, applications or costly and limited storage.

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Annexure
Summaries of Key Terms of Executive Service Agreements

Stephen McGovern, Managing Director

Effective date:	1 July 2020, acknowledging the employment commenced on 28 February 2015.
Term:	Fixed for three years then ongoing until terminated by Dubber or Mr McGovern
Termination and Notice:	<p>Dubber or Mr McGovern may terminate the agreement by providing 6 months' written notice, which shall take effect only after the fixed initial 3 year term. Dubber may, at its own election, make payment in lieu of notice or request garden leave for up to 6 months.</p> <p>Dubber may terminate Mr McGovern's employment immediately without notice or payment in lieu of notice in circumstances warranting summary dismissal at law.</p> <p>If a change of control event occurs, Mr McGovern may terminate his employment by providing 2 months' written notice and the Company must pay 6 months' base salary to Mr McGovern (or, if more, for the period to the end of the fixed initial 3 year term.</p>
Base Salary:	Fixed salary of \$481,000 per annum, including superannuation.
2019/20 Bonus:	Mr McGovern is eligible to receive, subject to shareholder approval, 1,000,000 zero exercise price performance options (ZEPOs) by way of a bonus for performance in the 2019/20 financial year, which vest on 30 June 2021 subject to continued employment and expire on 30 June 2025. All ZEPOs will vest if Mr McGovern is dismissed without cause or the Company is subject to a change of control event.
Short Term Incentive:	Mr McGovern is eligible to receive short term incentives (STIs) in the form of equity and/or cash (equity only for 2020/21) based on achieving yearly objectives in respect of sustainable cash flows, a positive 'personal scorecard', core business objectives and product releases (set annually by the Board). For 2020/21, the STI amounts to the grant of 255,581 ZEPOs, subject to shareholder approval, which expire on 30 June 2023. All ZEPOs will vest if Mr McGovern is dismissed without cause or the Company is subject to a change of control event.
Long Term Incentive:	Mr McGovern is eligible to receive long term incentives (LTIs) in the form of 3,070,215 ZEPOs, subject to shareholder approval, which expire on 30 June 2025. LTIs are to be set every 3 years by the Board and will be linked to delivery of the Company's business plan, subject to continued employment, achievement over the initial fixed 3 year term of specified performance targets linked to recurring revenue and deployment of the Dubber call recording service on telecommunication networks. All ZEPOs will vest if Mr McGovern is dismissed without cause or the Company is subject to a change of control event.
Other terms:	Mr McGovern's agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, intellectual property protection, non-competition restraints and leave entitlements.



Peter Pawlowitsch, Executive Director – Commercial and Strategy

Effective date:	1 July 2020
Loading:	Part time role, based on 40% full-time loading
Term:	Fixed for three years then ongoing until terminated by Dubber or Mr Pawlowitsch
Termination and Notice:	<p>Dubber or Mr Pawlowitsch may terminate the agreement by providing 6 months' written notice, which shall take effect only after the fixed initial 3 year term. Dubber may, at its own election, make payment in lieu of notice for up to 6 months.</p> <p>Dubber may terminate Mr Pawlowitsch's employment immediately without notice or payment in lieu of notice in circumstances warranting summary dismissal at law.</p> <p>If a change of control event occurs, Mr Pawlowitsch may terminate his employment by providing 2 months' written notice and the Company must pay 6 months' base salary to Mr Pawlowitsch (or, if more, for the period to the end of the fixed initial 3 year term.</p>
Base Salary:	Fixed salary of \$158,400 per annum, including superannuation.
2019/20 Bonus:	Mr Pawlowitsch is eligible to receive, subject to shareholder approval, 250,000 zero exercise price performance options (ZEPOs) by way of a bonus for performance in the 2019/20 financial year, which vest on 30 June 2021 subject to continued employment and expire on 30 June 2025. All ZEPOs will vest if Mr Pawlowitsch is dismissed without cause or the Company is subject to a change of control event.
Short Term Incentive:	Mr Pawlowitsch is eligible to receive short term incentives (STIs) in the form of equity and/or cash (equity only for 2020/21) based on achieving yearly objectives in respect of sustainable cash flows, a positive 'personal scorecard', core business objectives and product releases (set annually by the Board). For 2020/21, the STI amounts to the grant of 67,404 ZEPOs, subject to shareholder approval, which expire on 30 June 2023. All ZEPOs will vest if Mr Pawlowitsch is dismissed without cause or the Company is subject to a change of control event.
Long Term Incentive:	Mr Pawlowitsch is eligible to receive long term incentives (LTIs) in the form of 808,851 ZEPOs, subject to shareholder approval, which expire on 30 June 2025. LTIs are to be set every 3 years by the Board and will be linked to delivery of the Company's business plan, subject to continued employment, achievement over the initial fixed 3 year term of specified performance targets linked to recurring revenue and deployment of the Dubber call recording service on telecommunication networks. All ZEPOs will vest if Mr Pawlowitsch is dismissed without cause or the Company is subject to a change of control event.
Other terms:	Mr Pawlowitsch's agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, intellectual property protection, non-competition restraints and leave entitlements.

