

30 September 2022

PROPOSED ISSUE OF EMPLOYEE OPTIONS

Dotz Nano Limited (the **Company**) (**ASX: DTZ**) advises that it is proposing to issue options to employees under the Company's Employee Share Option Plan (ESOP).

	Number	Exercise Price	Vesting Conditions	Expiry date
Tranche 1	340,000	A\$0.33	Vest 1 June 23	31 May 27
Tranche 1	1,822,500	A\$0.33	Vest 1 June 23	31 May 27
Tranche 2	1,700,000	A\$0.40	Vest 1 June 24	31 May 27
Tranche 3	1,700,000	A\$0.50	Vest 1 June 25	31 May 27
TOTAL	5,562,500			

Full terms of the options are shown at **Annexure A**.

The ESOP was renewed at a General Meeting on 29 January 2020.

An Appendix 3B reflecting the revised capital structure following the proposed issue of the above securities will be released with this announcement.

This announcement has been authorised for release by the Company Secretary, Ian Pamensky.

Further information:

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication, and tracing solutions.

Its unique products ValiDotz, BioDotz, Fluorensic and InSpec are exceptional solutions for numerous applications, such as: anti-counterfeiting, brand & reputation protection, oil & gas industry, liquids tagging, lubricants and DEF authentication, polymers tagging and bio-imaging.

To learn more about Dotz, please visit the website and corporate video via the following link www.dotz.tech

ANNEXURE A - Terms and conditions of Israeli Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Plan and consideration

The Options will be granted under the Incentive Option Plan for nil cash consideration. In the event of any inconsistency between the Incentive Option Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

(c) Number and Exercise Price

- (i) Tranche 1:** unquoted options each with an exercise price of \$0.33 per Share (**Tranche 1 Israeli Options**);
- (ii) Tranche 2:** unquoted options each with an exercise price of \$0.40 per Share (**Tranche 2 Israeli Options**); and
- (iii) Tranche 3:** unquoted options each with an exercise price of \$0.50 per Share (**Tranche 3 Israeli Options**),

(each of the above exercise prices being an **Exercise Price**).

(d) Expiry Dates

Subject to the Incentive Option Plan and these terms and conditions, the Options will expire on the earlier to occur of the Options lapsing and being forfeited under the Incentive Option Plan or these terms and conditions and 5:00pm (AEST) on:

- (i) Tranche 1 Israeli Options:** 31 May 2027;
- (ii) Tranche 2 Israeli Options:** 31 May 2027; and
- (iii) Tranche 3 Israeli Options:** 31 May 2027,

(each of the above dates being an **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Vesting and Vesting Dates

Subject to these terms and conditions:

- (i)** the Tranche 1 Israeli Options will vest on 1 June 2023 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date;
- (ii)** the Tranche 2 Israeli Options will vest on 1 June 2024 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and

- (iii) the Tranche 3 Israeli Options will vest on 1 June 2025 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and

(each of the above dates being a **Vesting Date**).

(f) **Exercise Period**

Each vested Option is exercisable at any time and from time to time on and prior to the Expiry Date (**Exercise Period**).

(g) **Exercise of Options**

Subject to these terms and conditions and the Incentive Option Plan, an Option holder may exercise their Options by lodging with the Company a written notice of exercise of Options (in the form set out in the Incentive Option Plan) specifying the number of Options being exercised (**Exercise Notice**). The Option holder may only exercise Options in multiples of 100,000 Options unless the Option holder exercises all Options held by the Option holder.

(h) **Issue of Shares**

Subject to the Corporations Act, the Listing Rules, the Incentive Option Plan and these terms and conditions, within 10 Business Days of delivery of an Exercise Notice, the Company will issue the Shares pursuant to the exercise of the Options together with any additional Shares an entitlement to which has arisen under the Incentive Option Plan in consequence of the exercise of the Options.

(i) **Quotation**

- (i) The Company will not apply for quotation of the Options on the ASX.
- (ii) If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

(j) **Ranking of Shares**

All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.

(k) **Transfer**

The Options are only transferrable in special circumstances as set out in the Incentive Option Plan.

(l) **Dividend and voting rights**

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

(m) Participation rights

- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (ii) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (iii) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be the minimum period required by the Listing Rules after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(n) Adjustments for reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation. Whenever the number of Shares to be issued on exercise of an Option or the Exercise Price is adjusted pursuant to these terms and conditions, the Company will give notice of the adjustment to the Option holder and ASX together with calculations on which the adjustment is based.

(o) Israeli Participant

The Options granted to participants who are residents of the Israel or those who are deemed to be residents of Israel for tax purposes shall be subject to the terms and provisions set out in the Israeli Sub-Plan to the Incentive Option Plan.