



**Dynamic Group Holdings Limited  
ACN 640 888 213**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held as follows:**

**Time and date:** 11.30am (AWST) on Thursday, 27 October 2022

**Location:** The Celtic Club, 48 Ord Street, West Perth WA 6005

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2950.**

**Shareholders are urged to vote by lodging the Proxy Form attached to the Notice.**

**Dynamic Group Holdings Limited**  
**ACN 640 888 213**  
**(Company)**

## **Notice of Annual General Meeting**

Notice is given that the annual general meeting of Shareholders of Dynamic Group Holdings Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on Thursday, 27 October 2022 at 11.30am (AWST) (**Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 4pm (AWST) on Tuesday, 25 October 2022.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

## **Agenda**

### **1 Financial Statements and Reports**

To receive and consider the Company's Financial Report for the year ended 30 June 2022, together with the Directors' Report and the Auditor's Report.

There is no requirement for Shareholders to approve these reports.

### **2 Resolutions**

#### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, as a **non-binding ordinary resolution** the following:

*“That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report set out in the Company's Financial Report for the year ended 30 June 2022 is adopted.”*

**Note:** The vote on this resolution is advisory only and does not bind the Directors of the Company.

#### **Resolution 2 – Re-election of Director – Garret Dixon**

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

*“That in accordance with Article 7.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Garret Dixon, a Director, retires and, being eligible and offering himself for re-*

*election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

### **Resolution 3 – Re-election of Director – Matthew Freedman**

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

*“That in accordance with Article 7.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Matthew Freedman, a Director, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

### **Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling 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 and on the terms and conditions in the Explanatory Memorandum.”*

### **Resolution 5 – Ratification of issue of Consideration Shares**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,012,444 Shares to Mr Peter David Chegwidan as trustee for the Chegg’s Family Trust as part-consideration for the acquisition of 100% of the issued shares in Delmoss Nominees Pty Ltd and PDC Drilling Pty Ltd on the terms and conditions in the Explanatory Memorandum.”*

### **Resolution 6 – Re-insertion of Proportional Takeover Bid Approval Provisions**

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

*“That the modification of the Company’s Constitution to re-insert the proportional takeover bid approval provisions contained in Schedule 5 of the Constitution for a period of three years from the date of approval of this Resolution is approved under and for the purposes of sections 648G(4) and 136(2) of the Corporations Act and for all other purposes.”*

### **Resolution 7 – Modification of existing Constitution**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this Resolution 7 is passed.”*

### **Resolution 8 – Approval of financial assistance**

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

*“That for the purposes of section 260B(2) of the Corporations Act and for all other purposes, approval is given for financial assistance to be provided by WellDrill in connection with the Acquisition as described in the Explanatory Memorandum accompanying the Notice.”*

### **Resolution 9 – Approval of Employee Securities Incentive Plan**

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

*“That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the new employee securities incentive scheme of the Company known as the ‘Dynamic Group Holdings Limited Employee Securities Incentive Plan’ and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.”*

### **Resolution 10 – Approval of potential termination benefits under the Plan**

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

*‘That, conditional on Resolution 9 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the “Dynamic Group Holdings Limited Employee Securities Incentive Plan”, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.’*

### **Resolution 11 – Approval of issue of Options to Directors**

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution, the following:

*‘That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:*

*(a) up to 330,000 Options to Mr Mark Davis (or his nominee/s);*

*(b) up to 300,000 Options to Mr Matthew Freedman (or his nominee/s);*

- (c) *up to 300,000 Options to Mr David Kinnersley (or his nominee/s); and*
- (d) *up to 300,000 Options to Mr Joel Skipworth (or his nominee/s),*
- under the Plan, on the terms and conditions in the Explanatory Memorandum.'*

## **Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 4 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (b) Resolution 5 by or on behalf of Mr Peter David Chegwidan as trustee for the Chegg's Family Trust and any person who participated in the issue of the securities or is a counterparty to the agreement being approved, or any of their associates;
- (c) Resolution 9 by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates;
- (d) Resolution 11(a) by or on behalf of Mr Davis (or his nominee/s), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates;
- (e) Resolution 11(b) by or on behalf of Mr Freedman (or his nominee/s), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates;
- (f) Resolution 11(c) by or on behalf of Mr Kinnersley (or his nominee/s), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (g) Resolution 11(d) by or on behalf of Mr Skipworth (or his nominee/s), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associate

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) 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
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on these Resolutions, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 9 and Resolution 10: 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 this Resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 10: Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

Resolution 11(a) to (d) (inclusive): 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 this Resolution if:

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

However, the above prohibition does not apply if:

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

**BY ORDER OF THE BOARD**



James Bahen  
Company Secretary  
Dynamic Group Holdings Ltd  
Dated: 23 September 2022

**Dynamic Group Holdings Limited**  
**ACN 640 888 213**  
**(Company)**

**Explanatory Memorandum**

**1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on Thursday, 27 October 2022 at 11.30am (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Financial Statements and Reports
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5	Resolutions 2 and 3 – Re-election of Directors – Garret Dixon and Matthew Freedman
Section 6	Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)
Section 7	Resolution 5 – Ratification of issue of Consideration Shares
Section 8	Resolution 6 – Re-insertion of Proportional Takeover Bid Approval Provisions
Section 9	Resolution 7 – Modification of existing Constitution
Section 10	Resolution 8 – Approval of financial assistance
Section 11	Resolution 9 – Approval of Employee Securities Incentive Plan
Section 12	Resolution 10 – Approval of potential termination benefits under the Plan
Section 13	Resolution 11(a) to (d) (inclusive) – Approval to issue Options to Directors
Schedule 1	Definitions
Schedule 2	Summary of employee securities incentive plan
Schedule 3	Schedule 5 of the Constitution (Proportional Takeover Bid Approval)

Schedule 4	Terms and conditions of Incentive Options
Schedule 5	Valuation of Incentive Options

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

### 2.2 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are encouraged to vote by completing and returning the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

#### **The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting. Your proxy voting instruction must be received by 11.30am (AWST) on Tuesday, 25 October 2022, being not later than 48 hours before the commencement of the Meeting.

### 2.3 **Chair's voting intentions**

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, Resolution 9, Resolution 10 and Resolution 11(a) to (d) (inclusive), by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

### 2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [james@sccperth.com.au](mailto:james@sccperth.com.au) by Tuesday, 25 October 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

### 2.5 **Notice of members' rights**

Shareholders have the right to:

- (a) elect to receive or not receive certain documents; and
- (b) make requests to be sent certain documents in physical or electronic form.

A notice of these rights and how Shareholders can make an election and/or request is available on the Company's website at [www.dynamicgroupholdings.com.au/](http://www.dynamicgroupholdings.com.au/).

### **3. Financial Statements and Reports**

In accordance with section 317 of the Corporations Act and the Company's Constitution, Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2022.

There is no requirement for Shareholders to approve these reports.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Financial Report, Directors' Report and Auditor's Report, which are included in the Company's Annual Report available online at [www.dynamicgroupholdings.com.au](http://www.dynamicgroupholdings.com.au) or on the ASX platform for "DDB" at [www.asx.com.au](http://www.asx.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Financial Report to Shareholders unless specifically requested to do so.

### **4. Resolution 1 – Adoption of Remuneration Report**

#### **4.1 General**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

A Strike was not received by the Company at its previous year's annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

#### **4.2 Board recommendation**

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

### **5. Resolutions 2 and 3 – Re-election of Directors – Garret Dixon and Matthew Freedman**

#### **5.1 General**

Article 7.2(b) of the Constitution and Listing Rule 14.5 requires that there must be an election of Directors at each annual general meeting of the Company. In accordance with Article 7.2(b)(iv), if no person or Director is standing for election or re-election in accordance with articles 7.2(b)(i)-(iii) then the person who has been a Director the longest without re-election must retire and stand for re-election. If 2 or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

Directors Garret Dixon, Matthew Freedman and George Garnett were last elected at the annual general meeting held on 9 December 2020.

Accordingly, Messrs Dixon and Freedman have both elected to retire as a Director at this Meeting and, being eligible, seek approval to be elected as a Director pursuant to Resolution 2 and Resolution 3, respectively.

#### **5.2 Mr Garret Dixon**

Mr Dixon is an experienced and accomplished senior executive with extensive experience in the resources, transport and contracting sectors in Australia and overseas. His work in both private and ASX listed companies spans more than three decades. Mr Dixon's career since graduation in 1981 includes time with a Federal Government construction department, Executive General Manager for civil construction and contract mining group Henry Walker Eltin Ltd, Managing Director of logistics company Mitchell Corporation, managing director &

CEO of ASX listed Gindalbie Metals Ltd and Vice President Alcoa & President of Iron Ore Business Development for rail freight operator Aurizon. Mr Dixon held the position of Executive Vice President Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation. Mr Dixon is currently non-executive director of ASX listed BCI Minerals Limited, Chalice Mining Limited and MLG Oz Limited.

Mr Dixon has a Bachelor of Engineering (Hons) and a Master of Business Administration and is a member of the Australian Institute of Company Directors.

Mr Dixon does not currently hold any other material directorships, other than as disclosed in this Notice.

Mr Dixon has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Dixon is the Non-Executive Chairman of the Company.

If elected, Mr Dixon is considered by the Board (with Mr Dixon abstaining) to be an independent Director. Mr Dixon is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

### 5.3 **Mr Matthew Freedman**

Mr Freedman has been involved with Dynamic Drill & Blast Pty Ltd (**DDB**) (the predecessor to the Company) since 2017, joined as General Manager in 2018 and was appointed as a director of DDB in 2019. He has 13 years of experience in the mining and mining services sector. He has spent time working for Rio Tinto Procurement, WorleyParsons and conducting business development for Emeco. Mr Freedman holds a Bachelor of Business Administration.

Mr Freedman is currently non-executive director of ASX listed Cosmos Exploration Limited.

Mr Freedman has a Bachelor of Business Administration.

Mr Freedman does not currently hold any other material directorships, other than as disclosed in this Notice.

Mr Freedman has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Freedman is the Executive Director of the Company.

If elected, Mr Freedman is not considered by the Board (with Mr Freedman abstaining) to be an independent director because he is employed by the Company in an executive capacity.

### 5.4 **Board recommendation**

The Board (other than Mr Dixon who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 2 for the following reasons

- (a) Mr Dixon has the necessary level of experience; and

- (b) Mr Dixon has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.

The Board (other than Mr Freedman who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 3 for the following reasons:

- (c) Mr Freedman has the necessary level of experience; and
- (d) Mr Freedman has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.

## 5.5 Additional information

Resolution 2 and Resolution 3 are ordinary resolutions.

## 6. Resolution 4 – Approval of 10% Placement Facility (LR 7.1A)

### 6.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

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 in Listing Rule 7.1.

### 6.2 Listing Rule 7.1A

#### (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$46.8 million, based on the closing price of Shares (\$0.40) on 15 September 2022.

#### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities, being Shares.

(c) **What Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A =** is the number of Shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - (2) 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 Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (1) the agreement was entered into before the commencement of the Relevant Period; or
  - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual 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 Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

**(d) What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

**(e) At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity Security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(e)(i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

**(f) When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval 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),

**(10% Placement Period).**

**(g) What is the effect of Resolution 4?**

The effect of Resolution 4 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### 6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under the 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), raising funds for future potential acquisitions of complementary businesses, and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is 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 Meeting; 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.

If this Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c) above) as at the date of this Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.20 50% decrease in Current Market Price	\$0.40 Current Market Price	\$0.80 100% increase in Current Market Price
<b>117,886,288 Shares  Variable A</b>	10% Voting Dilution	11,788,629 Shares	11,788,629 Shares	11,788,629 Shares
	Funds raised	\$2,357,726	\$4,715,452	\$9,430,903
<b>176,829,432 Shares  50% increase in Variable A</b>	10% Voting Dilution	17,682,943 Shares	17,682,943 Shares	17,682,943 Shares
	Funds raised	\$3,536,589	\$7,073,177	\$14,146,354
<b>235,772,576 Shares  100% increase in Variable A</b>	10% Voting Dilution	23,577,258 Shares	23,577,258 Shares	23,577,258 Shares
	Funds raised	\$4,715,451	\$9,430,903	\$18,861,806

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) The issue price is the current market price (\$0.40), being the closing price of the Shares on ASX on 15 September 2022, being the latest practicable date before this Notice was signed.
  - (b) Variable A comprises of 117,886,288 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
  - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

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%. The table does not show an example of dilution that may be caused to

a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 18 November 2021.

The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of this Notice.

(g) **Voting exclusion statement**

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

## 6.4 **Additional information**

Resolution 4 is a **special** resolution and therefore requires 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).

The Board recommends that Shareholders vote in favour of Resolution 4.

## 7. Resolution 5 – Ratification of issue of Consideration Shares

### 7.1 General

On 11 July 2022, the Company announced that it had entered into a share sale and purchase agreement (**SPA**) to acquire 100% of the fully paid ordinary shares in the entities comprising the business trading as “WellDrill”, being each of Delmoss Nominees Pty Ltd (ACN 050 634 547) (**Delmoss**) and PDC Drilling Pty Ltd (ACN 121 717 182) (**PDC Drilling**) (together, **WellDrill**) from the Vendor (**Acquisition**).

Pursuant to the SPA, Completion was subject to certain conditions precedent, including but not limited to those set out below, being satisfied or waived on or before 15 July 2022:

- (a) customer and lessor consents to a change of control;
- (b) the Company obtaining financing or financing approvals on terms acceptable to the Company; and
- (c) no material adverse change has taken place prior to completion.

As announced on 18 July 2022, Completion occurred on 15 July 2022.

As part consideration for the Acquisition, and in accordance with the terms of the SPA, the Company issued 3,012,244 Shares to the Vendor under its placement capacity pursuant to Listing Rule 7.1 without the need for Shareholder approval, at a deemed issue price of \$0.33 per Share (**Consideration Shares**). Accordingly, no funds were raised from the issue of the Consideration Shares.

In accordance with the terms of the SPA, the Consideration Shares are to be escrowed from the date of issue until (and including) 31 March 2023 in accordance with a restriction deed between the Company and Vendor.

Resolution 5 seeks the approval of Shareholders to ratify the issue of the Consideration Shares under and for the purposes of Listing Rule 7.4.

### 7.2 Summary of material terms of the SPA

The consideration payable to the Vendor by the Company under the SPA is comprised of:

- (a) upfront consideration of:
  - (i) \$14,000,000 in cash; and
  - (ii) the 3,012,244 Consideration Shares, being the number of Shares equal in value to \$1,000,000 calculated in accordance with the VWAP of Shares for the five trading days, on which the Shares are actually traded, prior to the date of Completion, and subject to escrow from the date of issue until (and including) 31 March 2023; and
- (b) deferred consideration of \$4,000,000 in cash to be paid on the 31 March 2023.

The SPA contains additional provisions, including warranties, which are considered standard for agreements of this nature.

### 7.3 **Listing Rules 7.1 and 7.4**

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 securities it had on issue at the start of that period.

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

The issue of the Consideration Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces 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 of the Consideration Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of the Consideration Shares 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 of the Consideration Shares.

If Resolution 5 is not passed, the 3,012,444 Consideration Shares will 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 Shareholder approval over the 12 month period following the issue of the Consideration Shares.

### 7.4 **Specific Information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provide in relation to the ratification of the issue of the Consideration Shares:

- (a) a total of 3,012,444 Consideration Shares were issued to the Vendor as trustee of the Trust on 15 July 2022, who is not a Material Investor or related party of the Company;
- (b) the Consideration Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (c) the Consideration Shares were issued for nil cash consideration, as part consideration for the acquisition of 100% of the fully paid ordinary shares in the entities comprising WellDrill, at a deemed issue price of \$0.33 each (equivalent to \$1,000,000). Accordingly, no funds were raised from the issue;
- (d) the Consideration Shares were issued in accordance with the SPA, a summary of the material terms of which are set out at Section 7.2 above; and

- (e) a voting exclusion statement is included in the Notice.

## 7.5 **Additional information**

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

## 8. **Resolution 6 – Re-insertion of Proportional Takeover Bid Approval Provisions**

### 8.1 **General**

The Company's Constitution contains proportional takeover bid approval provisions (**Proportional Takeover Provisions**) which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by Shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The Proportional Takeover Provisions will expire on 10 June 2023 and will cease to apply on that date.

Resolution 6 seeks the approval of Shareholders to modify the Constitution by re-inserting the Proportional Takeover Provisions for a further three years under sections 648G(4) and 136(2) of the Corporations Act. The proposed Proportional Takeover Provisions set out in Schedule 3 are identical to those previously contained at Schedule 5 of the Constitution.

The Corporations Act requires the Company to provide Shareholders with an explanation of the Proportional Takeover Provisions as set out below.

### 8.2 **Information required by section 648G of the Corporations Act**

#### (a) **Effect of Proportional Takeover Provisions to be renewed**

A proportional off-market takeover bid (**PT Bid**) is a takeover offer sent to all Shareholders but only for a specified portion of each Shareholder's Securities.

Where offers have been made under a PT Bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a PT Bid is prohibited unless and until a resolution to approve the PT Bid is passed.

#### (b) **Reasons for renewing Proportional Takeover Provisions**

If re-inserted, under Schedule 5 of the Constitution if a PT Bid is made to Shareholders of the Company, the board of the Company is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offer under the PT Bid closes.

The resolution is taken to have been passed if a majority of Securities voted at the meeting, excluding the Securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the PT Bid, the resolution is deemed to have been passed. Where the resolution approving the PT Bid is passed or deemed to have been passed, transfers of Securities resulting from

accepting the PT Bid are registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASX Operating Rules and the Company's Constitution. If the resolution is rejected, then under the Corporations Act the PT Bid is deemed to be withdrawn.

The Directors consider that Shareholders should have the opportunity to re-insert the Proportional Takeover Provisions. Without the Proportional Takeover Provisions applying, a PT Bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Securities whilst leaving themselves as part of a minority interest in the Company.

Without the Proportional Takeover Provisions, if there was a PT Bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the PT Bid even if they did not want control of the Company to pass to the bidder. Re-inserting the Proportional Takeover Provisions will make this situation less likely by permitting Shareholders to decide whether a PT Bid should be permitted to proceed.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) **Advantages and disadvantages of the Proportional Takeover Provisions since last renewed**

As there have been no takeover bids made for any of the shares in the Company since the Proportional Takeover Provisions were adopted, there has been no application of the provisions. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Proportional Takeover Provisions.

(e) **Potential advantages and disadvantages of Proportional Takeover Provisions**

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of Shareholders about a PT Bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that re-insertion of the Proportional Takeover Provisions has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a PT Bid should be accepted.

The Directors consider that re-inserting the Proportional Takeover Provisions benefits all Shareholders in that they will have an opportunity to consider a PT Bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders are able to prevent a PT Bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the PT Bid. Furthermore, knowing the view of Shareholders assists each individual Shareholder to assess the likely outcome of the PT Bid and whether to accept or reject that bid.

As to the possible disadvantages to Shareholders re-inserting the Proportional Takeover Provisions, potentially, the proposal makes a PT Bid more difficult and PT Bids will therefore be discouraged. This may reduce the opportunities which Shareholders may have to sell all or some of their Securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's Share price. The Proportional Takeover Provisions may also be considered an additional restriction on the ability of individual Shareholders to deal freely on their Securities.

The Directors consider that there are no other advantages or disadvantages for Directors or Shareholders which arose during the period during which the Proportional Takeover Provisions were in effect, other than those discussed in this Section.

(f) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of re-inserting the Proportional Takeover Provisions and as a result consider that the Proportional Takeover Provisions in the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

8.3 **Additional information**

Resolution 6 is a **special** resolution and therefore requires 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).

The Board recommends that Shareholders vote in favour of Resolution 6.

9. **Resolution 7 – Modification of existing Constitution**

9.1 **General**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 7 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution will incorporate recent amendments to the Corporations Act regarding the holding of meetings of Shareholders using virtual meeting technology.

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website [www.dynamicgroupholdings.com.au/](http://www.dynamicgroupholdings.com.au/) and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company

Secretary at james@sccperth.com.au. Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 7 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution 7 is passed.

## 9.2 Summary of material proposed changes

### (a) Convening a general meeting (Article 5.2)

The modifications provides for the ability of the Company to hold general meetings using virtual technology only, as well as physical or hybrid meetings. This improved flexibility is necessary to ensure the Company is able to hold general meetings at times where physical meetings may not be practicable (such as during pandemics).

Set out below are the proposed modifications to article 5.2 of the existing Constitution:

#### Prior to modification:

##### 5.2 Convening a general meeting

- (a) *The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*
- (b) *The Company may hold a meeting of Members at 2 or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.*
- (c) *Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.*
- (d) *In computing the period of notice under article 5.2(c), the day of the meeting is to be disregarded.*
- (e) *A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

#### After modification:

##### 5.2 Convening a general meeting

- (a) *The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*
- (b) *The Company may hold a meeting of Members at a time determined by the Directors:*
  - (i) *at one or more physical venues;*
  - (ii) *at one or more physical venues and using virtual*

*meeting technology; and*

*(iii) using virtual meeting technology only,*

*provided that, in each case, Members as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors.*

- (c) If the Directors elects to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.*
- (d) Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.*
- (e) In computing the period of notice under article 5.2(d), the day of the meeting is to be disregarded.*
- (f) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

### 9.3 Additional information

Resolution 7 is a **special** resolution and therefore requires 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).

The Board recommends that Shareholders vote in favour of Resolution 7.

## 10. Resolution 8 – Approval of financial assistance

### 10.1 General

Refer to Section 7.1 for a summary of the Acquisition.

On 11 July 2022, the Company also entered into a cash advance finance facility agreement with Commonwealth Bank of Australia (ABN 48 123 123 124) (**Lender**) to borrow up to an aggregate of \$36,050,000 (**Facility Agreement**) which was used in part to fund the initial consideration for the Acquisition.

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or

- (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Financial assistance is interpreted broadly and may include giving security over a company's assets and giving a guarantee and indemnity in respect of another person's liability.

Under section 260A(2) of the Corporations Act, the financial assistance may be given before or after the acquisition of shares.

For a company to financially assist a person to acquire shares in itself or a company of which it is a subsidiary, section 260B(1) of the Corporations Act states that the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company will be a subsidiary of a domestic corporation that is listed in Australia (**Listed Australian Holding Company**) immediately after the acquisition, then section 260B(2) requires that the financial assistance must also be approved by a special resolution passed at a general meeting of that Listed Australian Holding Company.

The purpose of this Section 10 is to explain in further detail the proposed Resolution 8 set out in the Notice which must be passed by the Company's shareholders for the purposes of 260B(2) of the Corporations Act to enable the giving of the financial assistance by WellDrill to the Company in connection with the Acquisition.

## 10.2 Particulars of proposed financial assistance

### (a) Overview

On 11 July 2022, the Company entered into the Facility Agreement, under which (among other things), the Lender agreed to provide a combined limit of \$36,050,000 of financing to the Company (the **Facilities**).

### (b) Purpose

The Facilities have been or may be drawn for the purposes of, among other things, funding the acquisition of the shares in WellDrill, working capital requirements and capital expenditure of the Company.

### (c) Borrower

The Facilities are provided to the Company. Once it has joined the facility documentation as a guarantor and security provider, WellDrill may be entitled to use the Facilities.

(d) **Other terms**

As is the case with many similar funding arrangements of other companies, the Lender requires the Company's obligations under the Facility Agreement, and related finance documents, be guaranteed and secured by certain wholly owned subsidiaries of the Company, which now includes WellDrill after completion of the Acquisition.

Specifically, the Facility Agreement provides that, each of PDC Drilling and Delmoss must accede as "Additional Guarantors" (within the meaning of the Facility Agreement) via an accession deed, and enter into a general security deed that will, amongst other things, grant a security interest over WellDrill's present and after-acquired property (**Security**). In addition, upon acceding to the Facility Agreement, WellDrill will also provide a guarantee in favour of the Lender, guaranteeing all of the obligations of each "Obligor" (within the meaning of the Facility Agreement) under the Facility Agreement (**Guarantee**).

Pursuant to the Facility Agreement, the Company has undertaken to procure the accession to the Facility Agreement and entry into the Security by WellDrill once the necessary approvals for the Financial Assistance (as defined below) have been obtained.

The granting of the Security and Guarantee in the manner described above, and the fulfillment of any other obligations of WellDrill as an "Additional Guarantor" (within the meaning of the Facility Agreement) under the Facility Agreement, may constitute the provision of financial assistance for the purposes of the Corporations Act, because WellDrill will be granting security over its own assets, and guaranteeing the Company's obligations under the Facility Agreement, in connection with the financial accommodation provided by the Lender which was used to partially fund the Company's acquisition of the shares in WellDrill (**Financial Assistance**).

Now that the Acquisition has completed:

- (i) the Company is now the listed holding company of WellDrill, and therefore is required to obtain approval from its shareholders for the Financial Assistance under section 260B(2) of the Corporations Act in order for the Financial Assistance to be given; and
- (ii) the Company (as the sole shareholder of WellDrill) is required to pass the required approval resolution for the purposes of section 260B(1) subject to complying with the applicable procedures in the Corporations Act.

### 10.3 **Reasons for the Financial Assistance**

The Financial Assistance is proposed because:

- (a) the Company is required to, in accordance with the Facility Agreement, procure that WellDrill accedes as an "Additional Guarantor" (within the meaning of the Facility Agreement) under the Facility Agreement and provide the Security and Guarantee following the Acquisition. By acceding to the Facility Agreement and providing the Security and Guarantee, WellDrill may be assisting the Company to comply with its obligations under the Facility Agreement and this in turn has assisted the Company with acquiring shares in WellDrill; and

- (b) if WellDrill does not give the Financial Assistance, the Company will be in breach of the Facility Agreement (as an “Event of Default”, within the meaning of the Facility Agreement), which would, among other rights, give the Lender the right to call for all of the facility loaned to the Company under the Facility Agreement (plus accrued interest) to be immediately due and payable. In this event, the Company’s existing cash reserves would be significantly adversely impacted, and it may be necessary for the Company to refinance or renegotiate the facilities under the Facility Agreement, which would likely result in more restrictive and expensive terms, which may affect the Company’s operations.

#### 10.4 **Effect of the proposed Financial Assistance**

As the Company is already liable for the amounts payable under the Facility Agreement, the giving of financial assistance described in this Explanatory Memorandum by WellDrill is unlikely to have any adverse effect on the Company, except that the operations of the WellDrill will be restricted by the representations and undertakings given by it under the Facility Agreement.

The effect of the Financial Assistance will be that:

- (a) WellDrill will become a guarantor of the Company's obligations under the Facility Agreement and will have guaranteed all amounts payable under the Facility Agreement and may be required to perform the obligations of the Company in the event of certain defaults by the Company or another “Obligor”;
- (b) WellDrill will provide the Security and the Lender may be entitled to enforce the Security in the event that the Company or another “Obligor” fails to perform its obligations under the Facility Agreement; and
- (c) WellDrill will be required to perform and comply with its obligations under the Facility Agreement and related finance documents to the extent that those documents impose obligations on WellDrill.

The directors of WellDrill and the Directors of the Company:

- (a) do not currently believe that the giving of the Financial Assistance will have the effect of materially prejudicing the interests of creditors or the shareholder of WellDrill (which is in this case, the Company); and
- (b) do not currently believe that either the Company or WellDrill are likely to default in their obligations under the Facility Agreement.

#### 10.5 **Advantages of the proposed Financial Assistance**

If WellDrill provides the Financial Assistance by granting the Security and providing the Guarantee, this will allow WellDrill to accede to the Facility Agreement, and allow the Company to satisfy its obligations to the Lender and avoid a potential event of default under the Facility Agreement and will enable the Company to continue to pursue the growth objectives of the Company and its subsidiaries (including WellDrill).

The Directors of the Company believe that approving the transactions contemplated by this Explanatory Memorandum is in the interests of the Company.

#### **10.6 Disadvantages of the proposed Financial Assistance to the Company**

As the Company is already liable for the amounts due under the Facility Agreement, the Directors of the Company do not believe there are any disadvantages to the Company for the Financial Assistance to be provided.

#### **10.7 Disadvantages of the proposed Financial Assistance to WellDrill**

If the Financial Assistance is given, then WellDrill may be liable to repay all moneys due and payable under the Facility Agreement.

This may have an adverse effect on the financial position of WellDrill if it becomes liable for the debts and obligations of the Company and other “Obligors” under the Facility Agreement. If the Company were to default under the Facility Agreement, the Lender may make a demand under the Security requiring WellDrill to repay amounts due under the Facility Agreement, which will have an adverse impact on the business of WellDrill and may result in a winding up of WellDrill.

The operations of WellDrill, including its ability to borrow money in the future from other financiers may also be restricted by the Security.

The Directors have no reason to believe that there are any prevailing circumstances making a claim under the Security probable or likely. In any event, the Directors believe that any potential disadvantages for WellDrill of the Financial Assistance are outweighed by the advantages to the Company (and, by extension, WellDrill) in accessing and complying the terms of the Facility Agreement.

#### **10.8 Other information**

- (a) The Directors consider that the consequences of not providing the Financial Assistance (as outlined in Section 10.3(b) of this Explanatory Memorandum) will have far greater adverse impact on Shareholders than any potential consequences of providing the Financial Assistance (as outlined in Sections 10.6 and 10.7).
- (b) The Directors consider that this Section 10 of this Explanatory Memorandum contains all material information known to the Company that could reasonably be required by the Shareholders in deciding how to vote on the proposed resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the Shareholders of the Company.
- (c) Resolution 8 requires a special resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.
- (d) As required by section 260B(5) of the Corporations Act, copies of the Notice and this Explanatory Memorandum as sent to Shareholders were lodged with ASIC prior to their dispatch to Shareholders.

#### **10.9 Recommendation**

Resolution 8 is set out in the Notice that accompanies this Explanatory Memorandum.

Resolution 8 is a **special** resolution and therefore requires 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).

The Shareholders may vote either for or against Resolution 8.

The Directors recommend that the Shareholders vote in favour of Resolution 8.

## 11. Resolution 9 – Approval of Employee Securities Incentive Plan

### 11.1 General

On 1 October 2022, amendments to the Corporations Act will commence, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014.

In order to ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that come into effect on 1 October 2022.

Resolution 9 seeks Shareholder approval for the adoption of the new ESS titled the 'Dynamic Group Holdings Limited Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### 11.2 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for "Invitations" (within the meaning given in the Plan) made on or after 1 October 2022:

	Current position under the Class Order	Position from 1 October 2022
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS Interests are offered for monetary</p>	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p>

	consideration or for no monetary consideration.	<p><b>If the offer of ESS Interests is for monetary consideration:</b></p> <ul style="list-style-type: none"> <li>• Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.</li> <li>• The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>• Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Any service providers to the entity (with no minimum requirement of hours of service provided);</li> <li>• Certain 'related persons' to the above.</li> </ul>
5% limit	The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There is no limit on the number of such ESS Interests that may be issued.</p> <p><b>If the offer of ESS Interests is for monetary consideration:</b> The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.</p>
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS Interests under the new regime without any minimum quotation period. This will make it much

		simpler for newly listed entities to offer ESS Interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS Interests regardless of any suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices (or cleansing prospectuses for entities unable to rely on a cleansing notice) must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	<p>There are no ASIC lodgement requirements.</p> <p>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.</p> <p>ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.</p>
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

### 11.3 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 9 is passed, the Company will be able to issue up to a maximum of 13,160,379 Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to

eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 9 is not passed, the Company will not be able to adopt the Plan and, instead, any issues will be made either with Shareholder approval under Listing Rules 7.1 and 7.1A or, in default of Shareholder approval, pursuant to the Company's placement capacity under either or both Listing Rules 7.1 and 7.1A.

#### 11.4 **Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 2.
- (b) As at the date of this Notice, no Equity Securities have been issued under the Plan. Subject to Shareholder approval of Resolution 11(a) to (d) inclusive, the Company will issue a total of 1,185,000 Options under the Plan and on the terms as set out in Schedule 4.
- (c) The Company adopted its existing employee securities incentive plan called the 'Dynamic Drill and Blast Holdings Ltd Employee Incentive Securities Plan' under Listing Rule 7.2, exception 13(a) prior to its admission to the Official List of ASX on 4 August 2020 (**Existing Plan**). Since that date, the Company has issued the following Equity Securities under the Existing Plan:

Issue date	Equity Security	Number of Equity Securities
25 November 2021	Options	1,107,500
25 November 2021	Performance Rights	240,000
18 October 2021	Performance Rights	120,000
10 December 2020	Options	1,500,000

- (d) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 9 is 13,160,379 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue.
- (e) A voting exclusion statement is included in the Notice.

## 11.5 **Additional information**

Resolution 9 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 9 due to their personal interests in the outcome of the Resolution.

## 12. **Resolution 10 – Approval of potential termination benefits under the Plan**

### 12.1 **General**

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 10 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

### 12.2 **Part 2D.2 of the Corporations Act**

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 9, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities.

Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder

approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### 12.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### 12.4 Additional information

Resolution 10 is conditional on the passing of Resolution 9.

If Resolution 9 is not approved at the Meeting, Resolution 10 will not be put to the Meeting. Resolution 10 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 10 due to their potential personal interests in the outcome of the Resolution.

## 13. Resolution 11(a) to (d) (inclusive) – Approval to issue Options to Directors

### 13.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 1,185,000 Options (the **Incentive Options**) to Messrs Mark Davis, Matthew Freedman, David Kinnersley, and Joel Skipworth (together, the **Executive Directors**) (or their respective nominees) under the Plan as follows:

<b>Director</b>	<b>Incentive Options<sup>(1)</sup></b>
Mark Davis	330,000
Matthew Freedman	285,000
David Kinnersley	285,000
Joel Skipworth	285,000

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Incentive Options seeks to align the efforts of the Executive Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. The Board believes that the issue of these Incentive Options will align the interests of each Executive Director with those of the Company and its Shareholders. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Executive Directors in a competitive market.

Subject to the terms and conditions in Schedule 4, the Incentive Options will vest as follows:

<b>Directors</b>	<b>Tranche</b>	<b>Number of Incentive Options</b>	<b>Vesting Date</b>
Mark Davis	Tranche 1	110,000	12 months from the date of issue
	Tranche 2	110,000	24 months from the date of issue
	Tranche 3	110,000	36 months from the date of issue
Matthew Freedman	Tranche 1	95,000	12 months from the date of issue
	Tranche 2	95,000	24 months from the date of issue
	Tranche 3	95,000	36 months from the date of issue

David Kinnersley	Tranche 1	95,000	12 months from the date of issue
	Tranche 2	95,000	24 months from the date of issue
	Tranche 3	95,000	36 months from the date of issue
Joel Skipworth	Tranche 1	95,000	12 months from the date of issue
	Tranche 2	95,000	24 months from the date of issue
	Tranche 3	95,000	36 months from the date of issue

Resolution 11(a) to (d) (inclusive) seeks Shareholder approval pursuant to Listing Rule 10.14 for the issue of 1,185,000 Incentive Options to the Executive Directors (or their respective nominees) under the Plan.

### 13.2 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Incentive Options to the Executive Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 11(a) to (d) (inclusive) will be to allow the Company to issue the Incentive Options to the Executive Directors (or their respective nominees).

If Resolution 11(a) to (d) (inclusive) are not passed, the Company will not be able to proceed with the issue of up to 1,185,000 Incentive Options to the Executive Directors (or their respective nominees), and the Company will have to consider alternative commercial means

to incentivise the Executive Directors.

Resolution 11(a) to (d) (inclusive) are not conditional on each other, and Shareholders may approve one or all of those Resolutions (in which case, the Incentive Options the subject of the relevant Resolution(s) will be issued), even though Shareholders have not approved all of these Resolutions.

### 13.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) The Incentive Options will be issued under the Plan to
  - (i) Mark Davis pursuant to Resolution 11(a);
  - (ii) Matthew Freedman pursuant to Resolution 11(b);
  - (iii) David Kinnersley pursuant to Resolution 11(c); and
  - (iv) Joel Skipworth pursuant to Resolution 11(d),(or their respective nominees).
- (b) Each of the Executive Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Incentive Options are issued to a nominee of an Executive Director, that nominee will fall into the category stipulated by Listing Rule 10.14.2.
- (c) A maximum of 1,185,000 Incentive Options will be issued to the Executive Directors (or their respective nominees) in the proportions set out in Section 13.1 above.
- (d) The current total annual remuneration package for each of the Executive Directors as at the date of this Notice are set out below:

Director	Salary and fees (inclusive of superannuation)
Mark Davis	\$265,200
Matthew Freedman	\$232,050
David Kinnersley	\$232,050
Joel Skipworth	\$232,050

- (e) No Equity Securities have previously been issued under the Plan to the Executive Directors.

- (f) The Company has issued the following Securities to the Executive Directors under the Existing Plan:

Director	Date of issue	Type of Equity Security	Number of Equity Securities	Average acquisition price
Mark Davis	10 December 2020	Options	200,000 unquoted Options exercisable at \$0.74 each on or before 10/12/2023	\$Nil
			300,000 unquoted Options exercisable at \$0.82 each on or before 10/12/2024	\$Nil
			300,000 unquoted Options exercisable at \$0.92 each on or before 10/12/2025	\$Nil
	25 November 2021	Options	100,000 unquoted Options exercisable at \$0.62 each on or before 25/11/2022	\$Nil
			102,500 unquoted Options exercisable at \$0.69 each on or before 25/11/2022	\$Nil
			102,500 unquoted Options exercisable at \$0.77 each on	\$Nil

			or before 25/11/2023	
Matthew Freedman	10 December 2020	Options	175,000 unquoted Options exercisable at \$0.74 each on or before 10/12/2023	\$Nil
			262,500 unquoted Options exercisable at \$0.82 each on or before 10/12/2024	\$Nil
			262,500 unquoted Options exercisable at \$0.92 each on or before 10/12/2025	\$Nil
	25 November 2021	Options	87,500 unquoted Options exercisable at \$0.62 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.69 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.77 each on or before 25/11/2023	\$Nil

David Kinnersley	25 November 2021	Options	87,500 unquoted Options exercisable at \$0.62 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.69 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.77 each on or before 25/11/2023	\$Nil
Joel Skipworth	25 November 2021	Options	87,500 unquoted Options exercisable at \$0.62 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.69 each on or before 25/11/2022	\$Nil
			90,000 unquoted Options exercisable at \$0.77 each on or before 25/11/2023	\$Nil

- (g) The Incentive Options have the following exercise prices and expiry dates, and will otherwise be issued on the terms and conditions in Schedule 4:

Tranche	Exercise Price (\$)	Expiry Date
Tranche 1	0.58	5.00pm (AWST) on the date that is 3 years from the date of issue
Tranche 2	0.64	5.00pm (AWST) on the date that is 4 years from the date of issue
Tranche 3	0.72	5.00pm (AWST) on the date that is 5 years from the date of issue

- (h) The Board considers that Options, rather than Shares, are an appropriate form of
- (i) results in no immediate dilution to the existing Shareholders;
  - (ii) aligns the Executive Directors' interests with long term Shareholder value; and
  - (iii) encourages the retention of the Executive Directors.
- (i) The Company's valuation of the Incentive Options is in Schedule 5, with a summary for each Executive Director below:

Executive Director	Valuation of Incentive Options			
	<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Total</i>
Mark Davis	\$14,986	\$17,112	\$18,634	<b>\$50,732</b>
Matthew Freedman	\$12,943	\$14,779	\$16,093	<b>\$43,815</b>
David Kinnersley	\$12,943	\$14,779	\$16,093	<b>\$43,815</b>
Joel Skipworth	\$12,943	\$14,779	\$16,093	<b>\$43,815</b>

The Company has used the Black-Scholes model to determine the fair value of the Incentive Options, based on share price of \$0.375 per share on 6 September 2022, to determine the number of Incentive Options to be issued.

The Incentive Options equate to the following percentages of the Executive Directors' remuneration as follows:

- (i) in the case of Mr Davis, 49.77% of his fixed remuneration;
  - (ii) in the case of Mr Freedman, 49.13% of his fixed remuneration;
  - (iii) in the case of Mr Kinnersley, 49.13% of his fixed remuneration; and
  - (iv) in the case of Mr Skipworth, 49.13% of his fixed remuneration.
- (j) The Incentive Options will be issued to the Executive Directors (or their respective nominees) as soon as practicable following the Meeting and in any event not later than three years after the date of the Meeting.
  - (k) The Incentive Options will be issued for nil cash consideration and will be provided as an incentive component to each Executive Director's remuneration package.
  - (l) A summary of the material terms of the Plan is in Schedule 2.
  - (m) No loan will be provided to the Executive Directors in relation to the issue of the Incentive Options.
  - (n) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
  - (o) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after any or all of Resolution 11(a) to (d) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
  - (p) A voting exclusion statement is included in the Notice.

#### 13.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 proposed issue of the Incentive Options constitutes giving a financial benefit to the Executive Directors, who are related parties of the Company by virtue of being Directors.

The Board, other than:

- (a) Mr Mark Davis in respect of Resolution 11(a);
- (b) Mr Matthew Freedman in respect of Resolution 11(b);

(c) Mr David Kinnersley in respect of Resolution 11(c); and

(d) Mr Joel Skipworth in respect of Resolution 11(d),

has resolved that the issue of Incentive Options pursuant to Resolution 11(a) to (d) (inclusive) constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act.

### 13.5 **Additional information**

Resolution 11(a) to (d) (inclusive) are ordinary resolutions.

The Board, other than:

(a) Mr Mark Davis in respect of Resolution 11(a);

(b) Mr Matthew Freedman in respect of Resolution 11(b);

(c) Mr David Kinnersley in respect of Resolution 11(c); and

(d) Mr Joel Skipworth in respect of Resolution 11(d),

recommends that Shareholders vote in favour of Resolution 11(a) to (d) (inclusive).

## Schedule 1      Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning given in Section 6.1.
<b>10% Placement Period</b>	has the meaning given in Section 6.2(f).
<b>Acquisition</b>	has the meaning given in Section 7.1.
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Class Order</b>	means ASIC Class Order 14/1000.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"><li>(e) a spouse or child of the member; or</li><li>(f) has the meaning given in section 9 of the Corporations Act.</li></ul>
<b>Company</b>	means Dynamic Group Holdings Limited (ACN 640 888 213).
<b>Completion</b>	means completion of the Acquisition.
<b>Consideration Shares</b>	has the meaning given in Section 7.1.
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
<b>Delmoss</b>	means Delmoss Nominees Pty Ltd (ACN 050 634 547).
<b>Director</b>	means a director of the Company.

<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>ESS</b>	has the meaning given in Section 11.1.
<b>ESS Interest</b>	has the meaning given in section 1100M of the Corporations Act.
<b>Executive Directors</b>	means Messrs Mark Davis, Matthew Freedman, David Kinnersley, and Joel Skipworth.
<b>Existing Plan</b>	has the meaning given in Section 11.4(c).
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Facility Agreement</b>	has the meaning given in Section 10.1.
<b>Financial Assistance</b>	has the meaning given in Section 10.2.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Guarantee</b>	has the meaning given in Section 10.2.
<b>Incentive Options</b>	has the meaning given in Section 13.1.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Lender</b>	means the Commonwealth Bank of Australia ABN 48 123 123 124.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Material Investor</b>	means in relation to the Company: <ul style="list-style-type: none"> <li>(a) a related party;</li> <li>(b) Key Management Personnel;</li> <li>(c) a substantial Shareholder;</li> <li>(d) an advisor; or</li> <li>(e) an associate of the above,</li> </ul> who received Shares which constituted more than 1% of the Company's issued capital at the time of issue.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.

<b>New Regime</b>	has the meaning given in Section 11.1.
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>PDC Drilling</b>	means PDC Drilling Pty Ltd (ACN 121 712 182).
<b>Plan</b>	means the 'Dynamic Group Holdings Limited Employee Securities Incentive Plan'.
<b>Plan Securities</b>	has the meaning given in Section 12.1.
<b>Proportional Takeover Provisions</b>	has the meaning given in Section 8.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>PT Bid</b>	has the meaning given in Section 8.2(a).
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a Section of this Notice.
<b>Security</b>	has the meaning given in Section 10.2.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>SPA</b>	has the meaning given in Section 7.1.
<b>Strike</b>	has the meaning given in Section 4.1.
<b>Trading Day</b>	has the same meaning as in the Listing Rules.
<b>Trust</b>	means the Chegg's Family Trust (ABN 89 032 636 479).
<b>Vendor</b>	means Mr Peter David Chegwiddden in his personal capacity and as trustee for the Chegg's Family Trust (ABN 89 032 636 479).
<b>VWAP</b>	means volume weighted average price.
<b>WellDrill</b>	means Delmoss and PDC Drilling.

## Schedule 2 Summary of employee securities incentive plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).

- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:

- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
- (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (c) **(Purpose):** The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** 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 of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (r) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## **Schedule 3      Schedule 5 of the Constitution (Proportional Takeover Bid Approval)**

### **1.      Resolution required for proportional takeover provisions**

Despite articles 4.1, 4.2 and 4.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a)      this Schedule 5 applies;
- (b)      the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an "approving resolution") to approve the bid is passed or taken to be passed in accordance with paragraph 4 or 5; and
- (c)      the Directors must ensure that an approving resolution is voted on in accordance with paragraphs 2 to 3 before the 14th day before the last day of the bid period.

### **2.      Procedure for resolution**

The Directors may determine whether the approving resolution is voted on:

- (a)      at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of paragraph 3, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b)      by means of a postal ballot conducted in accordance with the following procedure:
  - (i)      a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
  - (ii)      the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
  - (iii)      the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
  - (iv)      each ballot paper must specify the name of the person entitled to vote;
  - (v)      a postal ballot is only valid if the ballot paper is duly completed and:
    - A.      if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or

- B. if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;
- (vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and
- (vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

### **3. Persons entitled to vote**

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time. Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

### **4. Resolution passed or rejected**

If the resolution is voted on in accordance with paragraphs 1 to 3, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

### **5. Resolution taken as passed**

If a resolution to approve the bid has not been voted on as at the end of the day before the 14th day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with paragraphs 2 to 4.

### **6. Takeover articles cease to have effect**

Paragraphs 1 to 5 cease to have effect on the day 3 years after the later of their adoption or last renewal.

## Schedule 4 Terms and conditions of Incentive Options

The Incentive Options (**Options**) will be issued on the following terms and conditions:

1. (**Entitlement**): Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon exercise of the Option.
2. (**Exercise Price and Expiry Date**): The Options have the following Exercise Prices, Expiry Dates and vesting dates (subject to paragraph 3 below):

Tranche	Exercise Price	Expiry Date	Vesting Date
Tranche 1	\$0.58	5.00pm (AWST) on the date that is 3 years from the date of issue	5.00pm (AWST) on the date that is 12 months from the date of issue
Tranche 2	\$0.64	5.00pm (AWST) on the date that is 4 years from the date of issue	5.00pm (AWST) on the date that is 24 months from the date of issue
Tranche 3	\$0.72	5.00pm (AWST) on the date that is 5 years from the date of issue	5.00pm (AWST) on the date that is 36 months from the date of issue

The Options will expire at 5:00pm (AWST) on the Expiry Date. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. (**Vesting Conditions**): The vesting conditions attaching to the Options are subject to these terms and conditions.
  - (a) Tranche 1 will vest on the date that is 12 months from the date of grant (**Year 1**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 1;
  - (b) Tranche 2 will vest on the date that is 24 months from the date of grant (**Year 2**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 2; and
  - (c) Tranche 3 will vest on the date that is 36 months from the date of issue (**Year 3**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 3,

(together, the **Vesting Conditions**).
4. (**Quotation of the Options**): The Company will not apply for quotation of the Options on any securities exchange.
5. (**Transferability**): The Options are not transferable.

6. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.

7. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will, subject to paragraphs 8 and 12:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.

8. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. **(Timing of application for quotation)** If admitted to the official list of ASX at the time, the Company must apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options within 10 Business Days of the end of the quarter in which the exercise occurred, or within such other time period required by the Listing Rules.

10. **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

12. **(Takeovers prohibition):**

- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
- (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.

13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation 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.
15. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
16. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
17. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
18. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
19. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
20. **(Plan):** The Options are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
21. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.
22. **(Change of Control):** If prior to the earlier of the conversion or the Expiry Date a Change of Control Event occurs, then each Option will automatically and immediately vest.

A Change of Control Event occurs when:

- (a) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional (except any condition in relation to the cancellation or conversion of the Options); or

- (b) **scheme of arrangement:** the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

## Schedule 5 Valuation of Incentive Options

The Incentive Options to be issued to the Executive Directors (or their respective nominees) pursuant to the resolutions which form Resolution 11 have been valued according to a Black-Scholes valuation model on the following assumptions:

Executive Director	Mark Davis			Matthew Freedman			David Kinnersley			Joel Skipworth		
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Number of Options	110,000	110,000	110,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Assumed Share price at grant date	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Exercise price	\$0.58	\$0.64	\$0.72	\$0.58	\$0.64	\$0.72	\$0.58	\$0.64	\$0.72	\$0.58	\$0.64	\$0.72
Market value on ASX of underlying Shares at time of setting exercise price	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Exercise price premium to market value	145%	160%	180%	145%	160%	180%	145%	160%	180%	145%	160%	180%
Expiry	5.00pm (AWST) on the date that is 3 years from the date of issue	5.00pm (AWST) on the date that is 4 years from the date of issue	5.00pm (AWST) on the date that is 5 years from the date of issue	5.00pm (AWST) on the date that is 3 years from the date of issue	5.00pm (AWST) on the date that is 4 years from the date of issue	5.00pm (AWST) on the date that is 5 years from the date of issue	5.00pm (AWST) on the date that is 3 years from the date of issue	5.00pm (AWST) on the date that is 4 years from the date of issue	5.00pm (AWST) on the date that is 5 years from the date of issue	5.00pm (AWST) on the date that is 3 years from the date of issue	5.00pm (AWST) on the date that is 4 years from the date of issue	5.00pm (AWST) on the date that is 5 years from the date of issue
Expected volatility	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%	63.96%
Risk free interest rate	3.10%	3.28%	3.23%	3.10%	3.28%	3.23%	3.10%	3.28%	3.23%	3.10%	3.28%	3.23%
Annualised dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>Value of each Option</b>	\$0.1362	\$0.1556	\$0.1694	\$0.1362	\$0.1556	\$0.1694	\$0.1362	\$0.1556	\$0.1694	\$0.1362	\$0.1556	\$0.1694
<b>Aggregate value of Options</b>	\$14,986	\$17,112	\$18,634	\$12,943	\$14,779	\$16,093	\$12,943	\$14,779	\$16,093	\$12,943	\$14,779	\$16,093



Dynamic Group Holdings Limited | ACN 640 888 213

# Proxy Voting Form

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (AWST) on Tuesday, 25 October 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



