

Terms and Conditions of Unquoted Options

Dotz Nano Limited (ASX:DTZ) ("**Dotz**" or the "**Company**") is a technology company specialising in high-value advanced materials. Dotz develops and commercialises innovative solutions addressing global environmental & industrial challenges, utilising its carbon-based nano technologies, advises the Terms and Conditions of 3,000,000 Unquoted Options issued to a consultant ("**Options**").

The Terms and Conditions of the Options are detailed in **Schedule 1** attached.

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

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

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology company specialising in high-value advanced materials. Dotz develops and commercialises innovative solutions addressing global environmental & industrial challenges, utilising its carbon-based nano technologies. Our two main areas of focus are:

- In-product tagging solution for anticounterfeiting and monitoring, primarily for the oil & gas and chemicals sectors.
- Carbon-based sorbent technology for industrial decarbonisation & sustainability

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

1. **(Exercise Price and Number):** Subject to these terms and conditions, the amount payable upon exercise of each Option will be as set out in Consulting Agreement and detailed below (each, an **Exercise Price**).

Number and Exercise Price

- (i) 1,000,000 **Tranche 1:** unquoted options each with an exercise price of A\$0.21 per Share¹ (**Tranche 1 Options**);
- (ii) 1,000,000 **Tranche 2:** unquoted options each with an exercise price of A\$0.272 per Share² (**Tranche 2 Options**); and
- (iii) 1,000,000 **Tranche 3:** unquoted options each with an exercise price of \$0.335 per Share³ (**Tranche 3 Options**),

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

2. **(Vesting Date) :** The Options shall vest in accordance with the terms specified in the Consulting Agreement.

Subject to these terms and conditions:

- (iv) the **Tranche 1 Options** – vested from the date of issue;
- (v) the **Tranche 2 Options** will vest on 15 May 2024 provided that the Option holder is a consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and
- (vi) the **Tranche 3 Options** will vest on 15 May 2025 provided that the Option holder is a consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and

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

3. **(ESCROW):** The Options shall be subject to a voluntary ESCROW. Each Option has a 12-month Voluntary ESCROW from the Vesting Date.

4. **(Expiry Date):** Each Option will expire on the date specified in the table in the Consulting agreement and detailed below (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

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

- (vii) **Tranche 1 Options:** 15 May 2028;

¹ 30-day VWAP at 15 August 2023 – refer **Table A**

² 30% over 30-day VWAP at 15 August 2023 – refer **Table A**

³ 60% over 30-day VWAP at 15 August 2023 – refer **Table A**

(viii) **Tranche 2 Options:** 15 May 2028; and

(ix) **Tranche 3 Options:** 15 May 2028,

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

5. **(Exercise Period):** Upon vesting under paragraph 1 above and post the voluntary ESCROW under paragraph 3, the Options are exercisable at any time and from time to time on or prior to the Expiry Date **(Exercise Period)**.
6. **(Notice of Exercise):** Vested Options may be exercised during the relevant Exercise Period by notice in writing to the Company in the manner specified on the Option certificate, providing a notice of exercise in required form or as otherwise agreed with the Company **(Notice of Exercise detailed in Schedule 2)** 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 (acting reasonably).
7. **(Exercise Date):** A Notice of Exercise is only effective on and from the later of 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)**.
8. **(Timing of issue of Shares on exercise):**

Within 15 Business Days after the later of the following:

- (a) Exercise Date; and
- (b) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) 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;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under section 8(d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

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

10. **(Quotation of Shares issued on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
11. **(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.
12. **(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. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be set in accordance with the minimum time afforded by the Listing Rules. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue in accordance with the Listing Rules.
13. **(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.
14. **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 13 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.
15. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
16. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company and subject to any restrictions imposed by the ASX or under applicable Australian securities law.