**ASX RELEASE**

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# Executive Remuneration Framework Reset

## Aligning the leadership team with long-term shareholder outcomes

**Dusk Group Limited** (ASX: DSK) (**dusk** or the **Company**) today announces a reset of its executive remuneration framework. The reset comprises an adjustment to the Chief Executive Officer's fixed remuneration and short-term incentive (STI) opportunity, together with a change to the Company's long-term incentive (LTI) arrangements replacing annual grants with a single, one-off, long-dated grant of performance rights to the Chief Executive Officer and a small group of key leaders, measured over the period to the end of FY30.

The Board is making this change proactively and from a position of confidence. dusk has assembled a strong and capable leadership team, and the Board's objective is to focus and align that team behind the outcomes that matter to shareholders and to hold the quality of the team together over the medium term, through a period in which execution of strategy is critical.

### Core principles

The reset has been designed around four principles:

#### 01 Reward is contingent on shareholder value creation

Vesting is tied to total shareholder return (TSR) and underlying earnings per share (EPS) growth. No portion of a grant vests unless service and minimum performance thresholds are met, and the value of any vested award rises and falls with the share price. Participants do well only if shareholders do well.

#### 02 A strong leadership team, focused and aligned

The Board believes the Company now has the right leadership team in place. Extending a common grant, on common measures and a common performance period, aligns that team behind a single set of shareholder outcomes rather than a series of individual annual targets.

**03 Retention of capability through the execution period**

The grant is long-dated and conditional on continued employment. It is designed to hold the quality of the leadership team together over the medium term, recognising that continuity and shared execution experience are themselves value-creating.

**04 Simplicity and discipline**

A single one-off grant replaces successive annual LTI grants over the period, reducing complexity while lengthening the horizon over which performance is assessed.

## Rationale

The Board considers the Company to be at an important point in its strategy. The next phase is defined by two priorities: the continued re-vamp of the Australian business, and a planned trial taking the dusk retail concept in international markets, expected to commence in FY27. Each carries a significant opportunity to add material shareholder value, and each depends on sustained focus and discretionary effort from the leadership team.

Against that backdrop, the Board's view is that retaining and aligning the current leadership team through the execution period is materially value-accretive and value-protecting for shareholders. The Company now has both the team and the capitalisation to pursue these strategies with intent, and the remuneration framework should reflect and reinforce that.

## Chief Executive Officer — fixed remuneration and STI

Effective from 1 July 2026, the Chief Executive Officer's total fixed remuneration (TFR) increases from $585,000 to $675,000 per annum, inclusive of superannuation. The Board considers this level appropriate having regard to external benchmarks for listed specialty retail chief executives, the scale and complexity of the role, and the Chief Executive Officer's demonstrated and expected contribution.

The maximum STI opportunity has been set at 80% of TFR (reduced from 90% previously). STI outcomes remain subject to annual performance targets determined by the Board through its normal budget and target-setting process.

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| **TFR** | $675,000 per annum inclusive of superannuation, increased from $585,000, effective 1 July 2026. |
| **Maximum STI opportunity** | 80% of TFR (approximately $540,000), reduced from 90% of TFR. |
| **STI performance conditions** | Subject to annual performance targets determined by the Board. |

## LTI — key features of the grant

The LTI is a one-off grant of performance rights, made in place of the annual LTI grants that would otherwise be made over the coming years, with performance assessed over a multi-year period to the end of FY30 and vesting subject to continued employment. Reflecting this, the Board's current expectation, all else being equal, is that no further material LTI grant will be made to the participants in respect of the FY28, FY29 or FY30 financial years.

The Board retains discretion to make further grants in the future, however, including to other executives or employees who are not key management personnel, or in response to changed circumstances.

Identical performance rights, fewer in number, are being granted to the Chief Financial Officer and other members of the leadership team, on the same performance measures, performance period and vesting conditions as apply to the Chief Executive Officer's grant.

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| **Instrument** | Performance rights, granted on a one-off basis. |
| **Performance period** | FY26 (base year) to FY30, with vesting assessed following the release of the FY30 results. |
| **Performance measures** | Two independent measures, each applying to 50% of the grant: TSR and compound annual growth in underlying EPS. Each measure is tested separately, on its own vesting schedule. |
| **Vesting — TSR (50% of grant)** | Nil vesting below 8% per annum. 25% vests at 8% per annum, increasing on a straight-line basis to 100% vesting at 20% per annum. TSR is measured on a five-day volume weighted average price basis following the release of the FY26 and FY30 results, inclusive of dividends or other returns of capital in the performance period. |
| **Vesting — underlying EPS growth (50% of grant)** | Nil vesting below 5% per annum growth. 25% vests at 5% per annum, increasing on a straight-line basis to 100% vesting at 15% per annum. Growth is measured as the compound annual growth rate (CAGR) from FY26 underlying EPS to FY30 underlying EPS. |
| **Service condition** | Continued employment through to 30 September 2030. Rights lapse and are forfeited if a participant leaves before vesting. |
| **Quantum** | Up to 7.5 million performance rights in aggregate across the Chief Executive Officer and the leadership team (7 people in total), representing approximately 11% of the Company's shares on a fully diluted basis. |

## Alignment and safeguards

The Board is conscious of shareholder expectations on executive remuneration and has designed the reset accordingly. The maximum STI opportunity has been reduced as a percentage of fixed remuneration, and remains subject to performance conditions. The LTI grant is performance-tested rather than time-based; it delivers no value at all unless minimum performance thresholds are cleared; it is forfeited on departure before vesting.

## Comment from the Chairman, John Joyce

"The Board believes the proposed new LTI arrangements aligns our leadership team's rewards with long-term shareholder outcomes and reflects our collective focus on delivering the next phase of growth for dusk. We believe strongly in the leadership team we now have at dusk and we are confident our shareholders will benefit as we successfully execute our strategy over the next 3-4 years."

## Approvals and next steps

The proposed grant to Vlad Yakubson, Chief Executive Officer and Managing Director, will be put to shareholders for approval at the Company's 2026 Annual General Meeting. Full details of the proposed grant, including the specific performance hurdles and quantum, will be set out in the Notice of Meeting and accompanying explanatory materials. The Company will confirm the final terms of the arrangements for other participants in due course.

**This announcement has been authorised for release by the Board of Directors of Dusk Group Limited.**


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## About dusk

dusk is an Australian specialty retailer of home fragrance products, offering a range of dusk branded premium quality products at competitive prices from its physical stores and online store. dusk's product range is designed in-house and is exclusive to dusk. dusk has grown to become the leading Australian omni-channel specialty retailer focused on home fragrance products. The product offering comprises candles, ultrasonic diffusers, reed diffusers and essential oils, as well as fragrance related homewares. Our goal is to be our customers' preferred destination for home fragrance products and for their gifting needs – including personal indulgences and 'gifts for one's self'.