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Notice of Annual General Meeting

Location: Mezzanine Floor, 200 Mary Street, Brisbane, QLD, 4000

Virtual Attendance: <https://meetnow.global/MRFZLYZ>

Date: Friday, 29 November 2024

Time: Commencing at 1:00PM AEST (Brisbane Time)

Verbrec Limited (ASX : VBC)

Level 14, 200 Mary Street

Brisbane QLD 4000

ACN: 127 897 689

verbrec.com

Key Dates

The key dates for the Annual General Meeting are set out below:

Key Dates	
EVENT	DATE
Last day for receipt of proxies #	Wednesday, 27 November 2024 1:00PM Australian Eastern Standard Time (Brisbane Time)
Snapshot time for eligibility to vote	Wednesday, 27 November 2024 6:00PM Australian Eastern Standard Time (Brisbane Time)
Annual General Meeting	Friday, 29 November 2024 1:00PM Australian Eastern Standard Time (Brisbane Time)

Proxy forms received after 1:00PM AEST (Brisbane Time) on Wednesday, 27 November 2024 will be disregarded.

Questions

Shareholders are invited to contact the Company Secretary at Investors@verbrec.com if they have any questions regarding the AGM.

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Verbrec Limited (ACN: 127 897 689) (ASX : VBC) will be held on Friday, 29 November 2024 commencing at 1:00PM Australian Eastern Standard Time (Brisbane Time). Shareholders may attend the meeting by attending the location or following the virtual attendance link below:

Location: Mezzanine Floor, 200 Mary Street, Brisbane, QLD, 4000

Virtual Attendance: <https://meetnow.global/MRFZLYZ>

Shareholders will be able to attend physically or virtually at this Hybrid Annual General Meeting.

The Explanatory Statement, which accompanies and forms part of this Notice, contains information to assist Shareholders including access and registration, and to decide how to vote on the matters to be considered at the AGM.

Terms used in this Notice are defined in the Glossary in the Explanatory Statement.

Ordinary Business

Financial Statements and Reports

To receive and consider the financial report of the Company and the reports of the Directors and report of the auditors for the year ended 30 June 2024.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, the following non-binding ordinary resolution:

'That for the purposes of section 250R(2) of the Corporations Act, the remuneration report contained in the Director's report for the year ended 30 June 2024 be adopted by the Company.'

Note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2: Re-election of Mr Phillip Campbell as a Director

To consider and, if thought fit, to pass, the following ordinary resolution:

'That, for the purposes of Listing Rule 14.4 and 14.5, and clause 9.2 of the Company's constitution, Mr Phillip Campbell, being a Director and Chairman of the Company appointed as an addition to the Board, who retires by rotation, and being eligible, is re-elected as a Director and Chairman of the Company.'

Special Business

Resolution 3: Amendment to the prior approval of Verbrec Limited Rights Plan Rules

To consider and, if thought fit, to pass, the following ordinary resolution:

'That, for the purposes of Listing Rule 7.2, Exception 13 and for all other purposes, the amendments to the prior approval of Verbrec Limited Rights Plan Rules, be approved.'

Resolution 4: Termination Benefits

To consider and, if thought fit, to pass, the following ordinary resolution:

'That, for the purposes of sections 200B and 200E of the Corporations Act, and all other purposes, approval is provided for the giving of all benefits to any current or future persons who hold a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold such office, as further described in the explanatory statement.'

By Order of the Board

Joel Voss



Company Secretary
Verbrec Limited
25 October 2024

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Proxy Appointment, Voting and Meeting Instructions

Meeting details and how to register, vote and ask questions

The Annual General Meeting of shareholders of the Company will be held both physically and virtually (hybrid) at **1:00pm Australian Eastern Standard Time (Brisbane time) on Friday, 29 November 2024.**

Location: Mezzanine Floor, 200 Mary Street, Brisbane, QLD, 4000

You may register to attend the webcast by following the link below:

Virtual Attendance: <https://meetnow.global/MRFZLYZ>

You will be able to vote live during the Annual General Meeting by:

- filling in a voting card provided at the venue
- visiting <https://meetnow.global/MRFZLYZ> on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Microsoft Edge or Firefox) as per the instructions on the attached Proxy Form.

Online voting registration will commence 30 minutes prior to the start of the Annual General Meeting and close 5 minutes after the last item of business. For full details on how to log on and vote online, please refer to the user guide, available online at: www.computershare.com.au/onlinevotingguide.

You can also lodge your proxy online, by post or by facsimile in accordance with the instructions contained in the proxy form accompanying this notice.

The Board strongly encourages lodgement of proxy votes and submission of questions prior to the Annual General Meeting so the meeting can be held in an efficient manner.

Lodgement of Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be lodged no later than **1:00pm Australian Eastern Standard Time (Brisbane time) on Wednesday, 27 November 2024.** Any Proxy Form received after that time will not be valid for the Annual General Meeting. The Proxy Form may be lodged in one of the following ways:

- | | |
|-----------------|----------------------------------------------------------------------------------------|
| Online: | Follow the directions on the Proxy Form |
| By hand: | Level 14, 200 Mary Street, Brisbane QLD 4000 |
| By mail: | Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia |
| By fax: | 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) |

Appointment of a Proxy

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a member of the Company.

If you wish to appoint the Chairperson of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairperson of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairperson of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by emailing the Company Secretary at Investors@verbrec.com or you may photocopy the Proxy Form.

To appoint a second proxy, you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights that are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

The Chairperson of the Annual General Meeting acting as proxy

If a member directs the Chairperson how to vote on an item of business, the Chairperson must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairperson, **the Chairperson intends to vote all available proxies in favour of each Resolution.**

In relation to the remuneration-related resolutions (being Resolution 1, Resolution 3 and Resolution 4), if you appoint the Chairperson of the meeting as your proxy, or the Chairperson is appointed as your proxy by default, then unless you mark one of the voting instruction boxes for the relevant Resolution, **you will be taken to have expressly authorised the Chairperson to vote in favour of that Resolution.**

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Votes on Resolution

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolutions. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions 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 Resolutions, and your proxy is not the Chairperson, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on the Resolutions will be invalid.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company or the Company's share registry, Computershare Investor Services, before the Meeting or at the registration desk on the day of the Meeting. Certificates for the appointment of corporate representatives are available at www.computershare.com or on request by contacting Computershare Investor Services on telephone number 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia).

Voting Entitlement (Snapshot Time)

The Company's Directors have determined that all Shares of the Company that are quoted on ASX at **6:00pm Australian Eastern Standard Time (Brisbane time) on Wednesday, 27 November 2024** will, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

At the Meeting the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the remuneration report.

Cameron Smith of Grant Thornton, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2024 (or his representative), will attend the Meeting. The Chairperson will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have in writing no later than **3:00pm Australian Eastern Standard Time (Brisbane time) on Thursday, 21 November 2024**:

By Email: Investors@verbrec.com
By hand: Level 14, 200 Mary Street, Brisbane QLD 4000
By mail: PO Box 3291, Brisbane GPO QLD 4000
By fax: +61 7 3058 7111

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out any questions directed to the auditor received in writing by **1:00pm Australian Eastern Standard Time (Brisbane time) on Friday, 22 November 2024**, being questions that the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2024. The Chairperson will allow reasonable opportunity to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Financial Report

The Corporations Act requires the Directors' report, auditor's report and the financial statements of the Company for the year ended 30 June 2024 to be tabled at the Annual General Meeting.

Neither the Corporations Act nor the constitution requires a vote of Shareholders on the reports or financial statements. However, Shareholders will be given reasonable opportunity to raise questions on the reports and ask questions of the Company's auditor.

Resolution 1: Adoption of Remuneration Report

The remuneration report is set out in the Directors' report in the Company's FY2024 Annual Report (pages 54 to 80), which is available on the Company's website at https://verbrec.com/investor_centre_category/company-reports/

The remuneration report contains information regarding:

- the remuneration policy of the Company;
- the structure of the remuneration of Directors and senior executives and how it aligns with the Company's performance; and
- the remuneration of Directors and senior executives for the year ended 30 June 2024.

The Corporations Act requires the Company to put a resolution to Shareholders that the remuneration report be adopted. Under section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must go up for re-election.

Voting prohibition statement

In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel whose remuneration details are included in the remuneration report; or

- a Closely Related Party of such member.

however, the above persons may cast a vote on Resolution 1 if:

- the person does so as a proxy;
- the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report or a Closely Related Party of such a member; and,

either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- the voter is the Chairperson of the Annual General Meeting and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the Chairperson to vote as the proxy even if the Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or, if the Company is part of a consolidated entity, for the entity.

Director's recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

Resolution 2: Re-election of Mr Phillip Campbell as a Director

Listing Rule 14.4 provides that a Director of the Company must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment or three years, whichever is longer. Furthermore, Listing Rule 14.5 states that an election of Directors of the Company must be held at each Annual General Meeting and that this rule applies where no Director is required to stand for re-election under Listing Rule 14. At least one Director must stand for re-election, who will either volunteer or be determined by ballot. This rule is consistent with the Company's constitution under clause 9.2.

Mr Phillip Campbell has volunteered to retire on the basis of the requirements of 9.2(a) of the Company's constitution and stands for re-election in accordance with clause 9.2(b)(iv) of the Company's constitution.

Mr Campbell was appointed to the Board on 22 October 2019 as an Independent, Non-Executive Director and on 26 February 2020 as Chairperson. Mr Campbell's background and experience are contained on page 62 of the FY2024 Annual Report.

Director's recommendation

The Directors (excluding Mr Campbell who abstains for the purposes of good corporate governance) unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3: Amendment to the prior approval of the Verbrec Limited Rights Plan Rules

At the annual general meeting held on 29 November 2023, shareholders approved a maximum of 33 million ordinary shares in the Company to be issued under Verbrec Limited Rights Plan (**Plan**) as long-term variable remuneration and the deferral of short-term variable remuneration for executives.

Consistent with ASX Listing Rule 7.2 (exception 13), the shareholder approval persists for a period of three (3) years after the date of the 2023 Annual General Meeting. Nothing in this Resolution 3 affects or seeks to extend the period so approved.

This Resolution 3 proposes an amendment to the terms and conditions (**Terms**) associated with the Plan and a shareholder resolution consistent with the requirements of section 200B of the Corporations Act 2001 (Cth) (**Corporations Act**).

All other terms of the Plan not referenced in this explanatory statement remain the same as previously described in the Notice of Meeting for the 2023 Annual General Meeting, which is located at the below link.

Notice of Meeting (2023 Annual General Meeting):

https://verbrec.com/investor_centre/notice-of-annual-general-meeting-proxy-form/

1. ASX Listing Rule 14.1A

Consistent with the requirements of Listing Rule 14.1A, the Company advises that:

- (a) If holders of ordinary securities approve this Resolution 3:
 - i. the Terms of the Plan will be adjusted in the manner set out in this explanatory statement.
- (b) If holders of ordinary do not approve this Resolution 3:
 - i. the Terms of the Plan will remain unchanged.
 - ii. the Board may utilise its discretion under the existing Plan Rules to, as far as reasonably practicable, ensure that participants in the Plan are not unduly advantaged or disadvantaged due to the inconsistency in the Reference Clause.

2. Amendment to Plan Rules

The following clause and formula (**Reference Clause**) for calculating the handling and distribution of unvested rights in the event of a delisting (which may include a change in control) is referred to in the Plan Rules:

Reference Clause	<p>In the event the Board determines that the Company will be subject to a de-listing, the Vesting Conditions specified in an Invitation for Performance Rights will cease to apply and:</p> <p>(a) Rights with an Exercise Price greater than nil (Share Appreciation Rights) will vest 100% unless otherwise determined by the Board,</p> <p>(b) Unvested Performance Rights in each tranche will vest in accordance with the following formula:</p> $\text{Number of Performance Rights to Vest} = \text{Unvested Performance Rights} \times \frac{\% \text{ of First Year of Measurement Period Elapsed}}{\frac{(\text{Share Price at the Effective Date} - \text{Share price at Measurement Period Commencement})}{\text{Share price at Measurement Period Commencement}}}$ <p>(c) Remaining Performance Rights may vest or lapse as determined by the Board,</p>		
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- (d) Service Rights will vest to the extent determined to be appropriate by the Board under the circumstances applicable to each grant of Service Rights, and
- (e) Exercise Restrictions and Specified Disposal Restrictions will cease to apply on the date determined by the Board.
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It has been determined by the Board that both the clause wording and the formula contained in the Reference Clause contain inconsistencies which are not suitable for a plan where rights may be offered to executives as part of their remuneration at nil consideration.

The effect of utilising the formula in the Reference Clause may result in the number of unvested rights to both exceed the total amount of rights offered to the participant initially, or, in the case that the share price of the Company's ordinary shares falls below the share price at the effective date, result in a negative number of unvested performance rights being determined. Neither of these outcomes, in the Board's opinion, is an equitable outcome for the Company, shareholders or the participants of the Plan.

Accordingly, the Board proposes the following amendment (**Proposed Clause**) replacing the Reference Clause in its entirety.

Proposed Clause	<p>In the event the Board determines that the Company will be subject to a Change in Control, the Vesting Conditions specified in an Invitation for Rights will cease to apply and the proportion of unvested Rights that vest in the Participant shall be on the terms and in accordance with the Change in Control Formula.</p> <p>The unvested Rights that vest in the Participant in accordance with the Change in Control Formula(s) must not exceed 100% of the unvested Rights included in the Invitation which have not lapsed at the Reference Date.</p>
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In the event the Board determines that the Company will be subject to a de-listing other than due to a Change in Control, the Vesting Conditions specified in an Invitation for Rights will cease to apply and the proportion of unvested Rights that vest in the Participant shall be on the terms and in accordance with the Delisting Formula.

The unvested Rights that vest in the Participant in accordance with the Delisting Formula(s) must not exceed 100% of the unvested Rights included in the Invitation which have not lapsed at the Reference Date.

Where:

Board means the Board of Directors of the Company.

Change in Control means one or more persons acting in concert have acquired or are likely to imminently acquire Control in the Company, where Control means the same as defined in Section 50AA of the Corporations Act 2001 (Cth).

Change in Control Formula means the clause and formula determined by the Board and included in the Invitation and / or the Rules which is titled "Change in Control Formula". If there is inconsistency between the Invitation and the Rules, the Invitation shall be interpreted with priority.

Company means Verbrec Limited ABN 90 127 897 689.

Delisting Formula means the clause and formula determined by the Board and included in the Invitation and / or the Rules which is titled "Delisting Formula". If there is inconsistency between the Invitation and the Rules, the Invitation shall be interpreted with priority.

Invitation means the communication to an Eligible Person that contains the terms and conditions of the specific invitation to apply for Rights.

Plan means Verbrec Limited Rights Plan.

Reference Date means the date in which the Board makes a determination in accordance with the Change in Control Formula or Delisting Formula.

Right means unless otherwise determined by the Board and specified in an invitation, means an entitlement to the value of a fully paid ordinary share in the Company, less any Exercise Price specified in an Invitation, which may, when a parcel of Rights is exercised, be settled in the form of cash, whole shares (including restricted shares), as determined by the Board in its discretion.

Rules means the Rules that govern the Plan.

3. ASX Listing Rule 7.2 - Exception 13(b)

Consistent with ASX Listing Rule 7.2 (exception 13) a summary of the terms of the Plan as approved by shareholders is contained at **Schedule 2** to this notice of meeting.

As at the date of this Notice, the number of securities issued under the Plan since the date of the last approval under this rule (at Verbrec's 2023 Annual General Meeting) is 22,812,332.

The maximum number of securities that may be issued subject to the last approval under this rule is 33 million.

4. Voting exclusion statement

The Company will disregard votes cast as proxy by Key Management Personnel (including Relevant Participants) or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act.

In accordance with the Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person. However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o 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
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Director's recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

Resolution 4: Termination Benefits

In order to ensure that base and variable remuneration is effective in attracting and retaining the best people to hold managerial and executive positions within the Company, the Board wishes to have the flexibility to ensure that upon cessation of employment, or retirement from that office, they can reward a person if the circumstances of the retirement is a mutual, planned or negotiated outcome or otherwise due to a factor outside of that persons control including redundancy, disability, serious ill-health or other exceptional circumstances.

This is consistent with the Board's approach to remuneration which is developed and offered to incentivise behaviours consistent with shareholder value and strong company performance, over the short and long term.

Therefore, this Resolution 4 seeks the approval of Shareholders in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), and for all other purposes, for the Company to provide certain benefits to Relevant Persons (as defined below) in connection with that person ceasing to hold a managerial or executive office in the Company or its related bodies corporate.

If approved by Shareholders, this Resolution 4 will allow the Board the flexibility it requires to take discretionary actions allowed by certain agreements between the Company and Relevant Persons (as defined below), including Key Management Personnel, and to apply prescriptive formula's (where applicable) to the retirement event.

If Shareholders approve this Resolution 4, it will be effective until the conclusion of the third annual general meeting of the Company after that date that this Resolution 4 is passed. If considered appropriate at the time, the Board may seek a new approval from Shareholders at the company's 2027 annual general meeting.

1. Relevant Person

For the purposes of this Resolution 4, a **Relevant Person** is any current or future personnel who:

- (a) are or become members of the Company's Key Management Personnel; or
- (b) otherwise hold a managerial or executive office in the Company or a related body corporate of the Company, including officers and directors of the Company's subsidiaries) on or within three years prior to their termination or retirement from that office.

2. Agreements with Relevant Persons

The Company has contractual commitments with Relevant Persons, including under:

- (c) contracts of employment;
- (d) consultancy agreements;
- (e) variable remuneration plans (including but not limited to the Verbrec Limited Rights Plan and the ELT Short Term Incentive Plan); and
- (f) other contractual arrangements entered into from time to time between the Company and a Relevant Person.

(together, the '**Remuneration Agreements**')

The Company's current Remuneration Agreements between the Company and Key Management Personnel are further described on pages 68 – 79 of Verbrec's FY2024 Annual Report.

This Resolution 4 does not seek approval for any increase or other changes in the employment arrangements, remuneration, individual entitlements, benefits or incentives for Relevant Persons.

3. Board's Discretionary Rights

Where a Relevant Person has retired from that position or ceased employment prior to becoming fully-legally entitled to consideration (including unvested Shares, options or rights (together, **Awards**), or vested Awards which remain subject to certain restrictions) under a Remuneration Agreement, the Board possesses certain discretionary rights to determine that a proportion of the:

- (a) consideration under that Remuneration Agreement is payable;
- (b) unvested Awards under that Remuneration Agreement, do not lapse, contrary to any terms that state otherwise;
- (c) unvested Awards under that Remuneration Agreement, vest in the Relevant Person, contrary to any terms that state otherwise;
- (d) unvested Awards under that Remuneration Agreement may vest earlier than stipulated in that Remuneration Agreement;
- (e) unvested Awards under that Remuneration Agreement vest in the Relevant Person and may be exercised, contrary to any terms that state otherwise; and
- (f) vested Awards which were otherwise restricted from exercise may cease to be restricted and may be exercised,

despite the Remuneration Agreement not explicitly requiring this consideration to be payable or other action to be taken at cessation of the Relevant Person's employment.

In addition, the Board may wish to award a discretionary payment or other benefit to a Relevant Person by a separate written agreement or deed, where such a benefit is not otherwise stated in a Remuneration Agreement existing at the time of the cessation of the Relevant Person's employment.

These Board discretions are commonly referred to as 'good leaver' provisions.

(together, the '**Board Discretionary Rights**')

4. Board Obligations

Where a Relevant Person has ceased employment or retired from office prior to becoming fully-legally entitled to consideration (including Awards) under a Remuneration Agreement, the Board of Directors may be required by the terms of that Remuneration Agreement to apply a certain formula or methodology to determine the consideration (including Awards) payable or to be issued to the Relevant Person as a termination benefit, which may result in a payment, an acceleration or automatic vesting of an Award, an equity based payment and / or other entitlement.

(together, a '**Board Contractual Obligation**')

5. Details of other termination benefits

The summary in **Schedule 1** outlines the key categories of potential termination benefits that may become payable to Relevant Persons in connection with a Remuneration Agreement, Board Discretionary Right or Board Contractual Obligation, as it applies to the Company.

This summary is not intended to be an exhaustive list of the types of termination benefits that may become payable or be paid by the Company to Relevant persons. The Company is seeking Shareholder approval under this Resolution 4 to provide the Board with the flexibility it requires to tailor termination arrangements with Relevant Persons, including Key Management Personnel, having due regard to the circumstances of the Relevant Person's termination or retirement from their office of employment.

For the purposes of Part 2D.2 of the Corporations Act (including sections 200B and 200E), this Resolution 4 seeks shareholder approval for (without limitation) all benefits under or in connection with a Remuneration Plan, Board Discretionary Right or Board Contractual Obligation including, without limitation, all existing and future Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, each as detailed **Schedule 1**.

6. Value of the potential termination benefits

The amount and value of the termination benefits for which the Company is seeking approval is the maximum potential benefit that could be provided under the Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum.

The amount and value of the termination benefits that may be provided cannot be ascertained in advance in advance, as they will depend on various factors, including:

- (a) the circumstances of the cessation of the Relevant Person's employment or engagement, and whether the Relevant Person will serve all or a portion of any applicable notice period;
- (b) the tenure of the Relevant Person with the Company and its related bodies corporate, and in the relevant managerial or executive office prior to the cessation of the Relevant Person's employment or engagement;
- (c) the Relevant Person's total fixed remuneration at the time of the cessation of the Relevant Person's employment or engagement;
- (d) the number of Awards or other entitlements held by the Relevant Person at the time of the cessation of the Relevant Person's employment or engagement, and the proportion of those Awards (if any), the Board determines to vest, lapse or leave on foot when exercising any Board Discretionary Rights or in accordance with any Board Contractual Obligations;
- (e) the performance of the Relevant Person against any applicable performance metrics and / or vesting criteria;
- (f) the proportion of the measurement period (if any) applicable to any Awards held by the Relevant Person which has elapsed at the time of the cessation of the Relevant Person's employment or engagement;

- (g) the risk free rate of return in Australia and the estimated volatility of Shares at the time of the cessation of the Relevant Person's employment or engagement;
- (h) the terms of any Remuneration Agreements with respect to Relevant Persons, from time to time;
- (i) the amount of annual leave and other accrued entitlements of the Relevant Person at the time of the cessation of the Relevant Person's employment or engagement;
- (j) the price of the Company's ordinary shares at the time of the cessation of the Relevant Person's employment or engagement;
- (k) the jurisdiction in which the Relevant Person is based at the time of the cessation of the Relevant Person's employment or engagement, and the laws applicable in that jurisdiction;
- (l) any changes in law, regulation, market practice or accounting standards between the date the Company or its related bodies corporate enter any Remuneration Agreements or establishes any Incentive Plans and the date of the cessation of the Relevant Person's employment or engagement; and
- (m) any other factors the Board determines to be relevant when exercising any Board Discretionary Rights or considering any Board Contractual Obligations, including considerations in relation to the Relevant Person's performance.

7. Part 2D.2 of the Corporations Act

The Corporations Act restricts the benefits which can be given to a person in connection with that person's retirement from an office, or position of employment, in the Company or a related body corporate of the Company if the office or position is a managerial or executive office (as defined in the Corporations Act), or if the retiree held such a managerial or executive office at any time during the last three years.

8. Section 200B of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with the retirement or cessation of their holding of a managerial or executive office if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act, or if an exemption applies.

The benefits provided to Relevant Persons, including (without limitation) under the Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum, may constitute a benefit for the purposes of section 200B of the Corporations Act.

9. Shareholder Approval consistent with Section 200E of the Corporations Act

Consistent with the requirements of Section 200E of the Corporations Act, Shareholder approval is sought by way of this Resolution 4 for a Relevant Person to receive benefits in connection with the cessation of the Relevant Person's employment or engagement, whether those benefits arise in connection with Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the

Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum.

10. ASX Listing Rule 14.1A

Consistent with the requirements of Listing Rule 14.1A, the Company advises that:

(a) If Shareholders approve this Resolution 4:

- i. the Company will be permitted for the purposes of Chapter 2D.2 of the Corporations Act to provide benefits to any Relevant Person, including benefits arising in connection with Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum; and
- ii. the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place certain restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

(b) If Shareholders do not approve this Resolution 4:

- i. the Company will not be permitted for the purposes of Chapter 2D.2 of the Corporations Act to provide benefits to any Relevant Person, including benefits arising in connection with Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum, unless separate Shareholder approval is obtained for those benefits;
- ii. the Board may provide benefits to Relevant Persons, including benefits arising in connection with Remuneration Agreements, Board Discretionary Rights, or Board Contractual Obligations, including (without limitation), the Employment / Consultancy Agreement Benefits and Incentive Plan Benefits, in each case, as detailed in this Explanatory Memorandum, but only to the extent possible without breaching the requirements of Chapter 2D.2 of the Corporations Act;
- iii. the Board may seek to renegotiate certain Remuneration Agreements or amend Incentive Plans to allow more frequent distribution of benefits throughout the Relevant Persons term of employment or engagement, such that the probability of a significant amount of accrued benefits that may otherwise be payable upon cessation of employment as a 'good leaver' does not exceed the amount permitted under Chapter 2D.2 of the Corporations Act; and
- iv. the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place certain restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

11. Voting exclusion statement

The Company will disregard votes cast by or on behalf of a Relevant Person, or by any associate of such a person. However, the Company will not disregard those votes which are cast on Resolution 4 by such persons as proxy for another person who is entitled to vote on that item, provided the vote is cast in accordance with the directions on the Proxy Form.

Additionally, in accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a person who is a member of the Key Management Personnel or their closely related parties as proxy, unless the vote is cast:

- (a) in accordance with the directions on the Proxy Form; or
- (b) by the Chairperson of the Meeting because the Proxy Form provides the Chairperson with express authority to vote undirected proxies as the Chairperson decides, even though this Resolution 4 is connected with the remuneration of the Company's Key Management Personnel.

12. Director's recommendation

As this Resolution 4 involves potential personal interests of the Directors, it would be inappropriate for the Directors to provide any voting recommendation with respect to this Resolution 4.

The Chairperson intends to vote undirected proxies in favour of this Resolution 4 in accordance with the express authorisation included on the Proxy Form.

Glossary

In this Explanatory Statement, the following terms have the following meaning:

Definitions

TERM	DEFINITION
Annual General Meeting or Meeting	Annual general meeting of Shareholders of the Company or any adjournment of it, convened by the Notice.
ASIC	Australian Securities & Investments Commission.
Associates	Has the same meaning as in the Listing Rules.
ASX	ASX Limited ACN 008 624 691, trading as the Australian Securities Exchange
Award	means any Share, option or other right, whether vested or unvested, issued under the Company's variable remuneration plans or other employee incentive plans.
Board or Verbrec Board	Board of Directors of the Company.
Chairperson	The Chairperson of the Board.
Closely Related Party	Has the same meaning as in the Corporations Act.
Company or Verbrec	Verbrec Limited ACN 127 897 689.
Constitution	Means the Constitution of the Company, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Director	A Director of the Company.
Explanatory Memorandum	Means the Explanatory Memorandum set out in the body of this document.
Group	The Company and its subsidiaries
Key Management Personnel or KMP	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, persons listed in Verbrec's FY2024 Annual Report as Key Management Personnel. For the purposes of section 200B of the Corporations Act, Key Management Personnel include those persons who hold managerial or executive office in the Company.
Listing Rules	The Listing Rules of ASX.
Non-Executive Director	A Director who is not an employee of the Company.
Notice and Notice of Annual General Meeting	The Notice of Annual General Meeting, which accompanies this Explanatory Statement.
Placement Shares	The Shares that are the subject of approval under Resolution 4.
Proxy Form	The proxy form accompanying the Notice.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the issued capital of the Company and Shares means any two or more of them.
Shareholder	A registered holder of a Share.

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Schedule 1 – Key Categories of Potential Termination Benefits

Table 1 Key Categories of Potential Termination Benefits

CATEGORY OF BENEFIT	DETAILS OF BENEFIT
Employment / Consultancy Agreement Benefits	<p>The benefits for which approval is sought under Resolution 4 include benefits arising in connection with the employment or consultancy agreements for Relevant Persons, including those detailed below (together, the Employment / Consultancy Agreement Benefits).</p> <p>Notice Periods and Payment in Lieu of Notice</p> <p>In order to ensure proper continuity of business operations, employment / consultancy agreements between the Company and Relevant Persons usually provide for notice periods in excess of what is required at law.</p> <p>The Company has discretion under such agreements to allow for payment in lieu of all or part of such notice periods to be paid by the Company to the Relevant Persons.</p> <p>Any such payments are generally calculated with reference to the Relevant Person's total fixed remuneration (including superannuation, where applicable).</p> <p>An illustrative example calculation of the amount payable in lieu of a notice period under an employment / consultancy agreement with a Relevant person has been included below:</p> <p>Relevant Person's Total Fixed Remuneration (TFR) = \$300,000 Notice Period (NP) = 6 Months' notice to be provided by Company or the Relevant Person Proportion of Notice Period to be settled by payment in lieu: 100%</p> <p>Payment in Lieu of Notice Period = $TFR * (NP / 12) * 100\% = \\$150,000$.</p> <p>A Relevant Person's TFR, upon which any payment in lieu of notice is to be calculated will be determined based on the Relevant Person's TFR at the date of cessation of their employment or engagement. A Relevant Person's TFR includes the Relevant Person's base salary and the amount of any superannuation contributions made by the Company, and may be reviewed and adjusted on a regular basis, taking into account various factors, including individual performance outcomes, market conditions and other factors.</p> <p>Redundancy Payments</p> <p>The Company may be required at law, or in accordance with the terms of an employment agreement with Relevant Persons to provide termination payments where the cessation of employment is as a result of redundancy.</p> <p>The terms of the relevant employment agreement may require that the statutory or contractual redundancy payment amount be paid in addition to the stated notice period.</p> <p>Deed of Release and Restraint</p> <p>The Company may wish to negotiate with a Relevant Person to provide the Relevant Person with a lump sum payment in lieu of any notice period, redundancy payment and any other discretionary amounts in order to implement certain terms or to apply restraints post-termination above and</p>

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CATEGORY OF BENEFIT	DETAILS OF BENEFIT
	<p>beyond what is required under the Relevant Person's employment / consultancy agreement.</p> <p>When considering entry into such a deed of release and restraint, including determining an appropriate lump sum amount to be paid to the Relevant Person, the Board considers all relevant factors and circumstances, including market conditions, the circumstances of the Relevant Person and the business needs of the Company.</p> <p>Accrued Benefits</p> <p>Accrued, but untaken portions of TFR, leave entitlements (including annual and long service leave) and reimbursement of expenses are generally required to be paid out on cessation of employment.</p> <p>These accrued benefits will be paid out in accordance with contractual obligations and the law.</p> <p>Although genuine accrued benefits payable under law are generally excluded from the definition of termination benefits for the purposes of the operation of Section 200B of the Corporations Act, and thus no Shareholder approval is required for such accrued benefits, some Relevant Persons may accrue benefits in excess of what is strictly required by law.</p>
<p>Incentive Plan Benefits</p>	<p>The benefits for which approval is sought under Resolution 4 include those included in and arising from payments made and Awards granted under any incentive plan operated by the Company, including as detailed below (together, the Incentive Plan Benefits).</p> <p>The Company from time to time enters into contracts with Relevant Persons which confer a right to:</p> <ul style="list-style-type: none"> (a) an incentive payable in cash if the Relevant Person meets certain performance criteria; or (b) an incentive in the form of Awards, contingent on the Relevant Person meeting certain performance criteria, <p>each assessed periodically over a defined measurement period.</p> <p>1. Agreements with Relevant Persons</p> <p>The Company has contractual commitments with Relevant Persons, including under:</p> <ul style="list-style-type: none"> (a) variable remuneration plans (including but not limited to the Verbrec Limited Rights Plan and the ELT Short Term Incentive Plan); and (b) other contractual arrangements entered into from time to time between the Company and Relevant Persons. <p>(together, the 'Incentive Plans')</p> <p>The current Incentive Plans between the Company and Key Management Personnel are further described on pages 68 – 79 of Verbrec's FY2024 Annual Report.</p> <p>2. Incentive Plan Benefits</p> <p>2.1 Incentive Plan Benefits arising from Board's Discretionary Rights</p> <p>Where a Relevant Person has retired from their position or ceased employment prior to becoming fully-legally entitled to consideration or Awards under an</p>

CATEGORY OF BENEFIT**DETAILS OF BENEFIT**

Incentive Plan, the Board possesses certain discretionary rights to determine that a proportion of the:

- (a) consideration is payable to the Relevant Person;
- (b) unvested Awards granted to the Relevant Person, do not lapse, contrary to any terms that state otherwise;
- (c) unvested Awards granted to the Relevant Person, vest in the Relevant Person, contrary to any terms that state otherwise;
- (d) unvested Awards granted to the Relevant Person may vest in the Relevant Person earlier than stipulated in original grant of those Awards under the Incentive Plan;
- (e) unvested Awards granted to the Relevant Person vest in the Relevant Person and may be exercised, contrary to any terms that state otherwise;
- (f) vested Awards which were otherwise restricted from exercise may cease to be restricted and may be exercised,

despite the Incentive Plan not explicitly requiring this consideration to be payable or other action to be taken at cessation of the Relevant Person's employment.

2.2 Incentive Plan Benefits arising from Board Contractual Obligations

Where a Relevant Person has ceased employment prior to becoming fully-legally entitled to consideration (including Award) under an Incentive Plan, the Board may be required by the terms of the Incentive Plan to apply a certain formula or methodology to determine the consideration (including Awards) payable or to be issued to the Relevant Person as a termination benefit, which may result in a payment, an acceleration or automatic vesting of an Award, an equity based payment and / or other entitlement.

3. Maximum Incentive Plan Benefit

Depending on the terms of the relevant Incentive Plan, the manner in which the quantum of benefits to be provided to the Relevant Person is determined will vary, but in any event, the benefit to be provided will not exceed the following limitations:

- (a) In the case of Awards granted to a Relevant Person under an Incentive Plan which include a proportion of unvested Awards, no more than 100% of the unvested Awards granted to the Relevant Person will vest in the Relevant Person, or be settled at the equivalent value in cash consideration;
- (b) In the case of an Incentive Plan which contains a cash-based incentive payable upon the achievement of certain performance criteria, no more than 100% of the cash consideration payable to the Relevant Person had they met the performance criteria at the relevant measurement date will be paid to the Relevant Person; and
- (c) In all other cases, in the aggregate (and inclusive of the above) shall not exceed the amount stated in ASX Listing Rule 10.19.

4. Contractual Entitlements

The contractual entitlement to potential consideration and Awards for Relevant Persons under Incentive Plans for each year of employment with the Company are stated in the Remuneration Report included in the Company's Annual Report to Shareholders.

CATEGORY OF BENEFIT

DETAILS OF BENEFIT

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Schedule 2 – Summary of the Verbrec Limited Rights Plan

Rights Plan Feature Summary

ASPECT	DETAILS
Instrument	<p>The Plan uses Rights which may be constructed as part of the terms of an Invitation as an entitlement to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion). Generally, it is expected that exercised Rights will be satisfied in Shares.</p> <p>The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being:</p> <ul style="list-style-type: none"> • Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives, • Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level, if and when appropriate, and • Restricted Rights which are vested at grant but may not be exercised within 90 days of grant and will generally be used to defer earned remuneration from time to time e.g. to defer STVR or as part of fixed remuneration. <p>When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights that only produce value when the Share Price exceeds the Exercise Price at the time of Exercise i.e. equivalent to an option. They may be Performance Share Appreciation Rights, Service Share Appreciation Rights or Restricted Share Appreciation rights under the foregoing classes of Rights.</p>
Terms and Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan. Such terms and conditions will be included in Invitations. When vesting conditions are included it is intended that they will be challenging and linked to indicators of sustainable value creation for shareholders.</p> <p>The terms and conditions of the Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to shareholders, including the treatment of Rights and Restricted Shares on termination of employment.</p> <p>The Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.</p>
Variation of Terms and Conditions	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the Plan.
Eligibility	Eligible Persons selected by the Board will be invited to participate in the Plan provided that an Eligible Person shall not be a non-executive Director of the Company.
Term	Each Invitation will specify the Term of Rights, as determined by the Board, and if not exercised within the Term the Rights will lapse. The maximum term allowable is 15 years under the Rules, which is based on the maximum tax deferral period in Australia.
Number of Rights	The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined subsequent to the AGM with regard to the relevant goals of the Company, relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.
Cost of Rights	No amount is payable by Participants for Rights unless otherwise determined by the Board.

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ASPECT	DETAILS
Exercise Price	No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e. creating a cashless exercise option or Share Appreciation Right which functions identically to an option, but is less dilutive than traditional options from a shareholder perspective.
Measurement Period	The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation but will generally be tested for vesting against Vesting Criteria annually over a five-year period for Performance Rights, starting from the beginning of the first financial year in the Measurement Period (including for Performance Share Appreciation Rights).
Vesting Conditions	<p>Vesting Conditions may be determined by the Board as part of each Invitation. Performance Rights will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of shareholder value creation over the Measurement Period.</p> <p>Service Rights will vest solely based on periods of service with the Company and will generally relate to annual remuneration cycles when granted as part of fixed remuneration.</p> <p>Restricted Rights do not have Vesting Conditions and are fully vested at grant.</p>
Gates	The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche irrespective of performance in relation to the Vesting Conditions.
Exercise Restrictions	<p>An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested.</p> <p>For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following grant.</p>
Disposal Restrictions	<p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of vested Rights will be subject to disposal restrictions due to:</p> <p>(a) The Company's securities trading policy, and</p> <p>(b) The insider trading provisions of the Corporations Act.</p> <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions included in an Invitation will be Restricted Shares while they are so restricted. Verbrec will ensure that such restrictions are enforced due to the presence of CHES holding locks or alternatively by any trustee that may be appointed in connection with the Plan.</p>
Exercise of Vested Rights	<p>Vested Rights may be exercised at any time between the Vesting Date (or the latter elapsing of Exercise Restrictions, if applicable) and the end of their Term, by the Participant submitting an Exercise Notice, otherwise they will lapse. The Exercised Rights Value will be determined as follows and will be either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares, as determined by the Board (depending on the terms of the Invitation):</p> <p>Exercised Rights Value = Number of Rights Exercised x (Share Price at Exercise – Exercise Price)</p> <p>Generally, it is expected that vested Rights will be settled in Shares. Such Shares may be Restricted Shares as they will be subject to disposal restrictions if the exercise occurs during a period in which trading in Shares is prohibited under the Company's securities trading policy.</p>


ASPECT	DETAILS
Disposal and Exercise Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.
Termination of Employment	<p>Generally, employment is a pre-requisite for a Participant's Performance Rights to vest.</p> <p>Performance Rights (including Performance Share Appreciation Rights) will be forfeited by the Participant in full if not employed at the time of testing the Vesting Criteria.</p> <p>Service Rights (including Service Share Appreciation Rights) will be dealt with as specified in the relevant Invitation as appropriate to the circumstances of the granting of Service Rights and applicable Measurement Periods. Generally pro-rata vesting for the period of service completed will apply.</p> <p>Vested Rights held after a Participant's termination of office or employment with the Group will be automatically exercised 90 days after the date on which the Participant ceases to hold any unvested Rights and all Exercise Restrictions have elapsed.</p> <p>If Rights are exercised after the termination of employment and the Share price is lower at the date of exercise than on the date of termination, then the Exercised Rights Value will be settled in cash unless otherwise determined by the Board, in order to ensure an appropriate taxation outcome for the Participant.</p> <p>It should be noted that the Plan contains clauses that address fraud, misconduct, inappropriate benefits and clawback which will result in the forfeiture of unvested and unexercised rights equivalent to traditional "Bad Leaver" approaches, but which may apply at any time including during employment.</p> <p>Board may, at its discretion determine differing or contrary conditions within the Invitation if it deems it appropriate in the circumstances having considered relevant factors.</p>
Change in Control	See Replacement Clause in Resolution 3
Delisting	See Replacement Clause in Resolution 3
Major Return of Capital or Demerger	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the corporate action.</p> <p>Restricted Rights will cease to be subject to Exercise Restrictions and Specified Disposal Restrictions prior to the return of capital or demerger, on the date determined by the Board.</p>
Board Discretion and Preventing Inappropriate Benefits	<p>The Board has discretion to adjust the number of Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the Measurement Period and/or to the contribution of a Participant to outcomes over the Measurement Period.</p> <p>The Board has sole discretion to determine that some or all unexercised Rights held by a Participant lapse on a specified date, if allowing the Rights to be retained would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include joining a competitor or actions that harm the Company's stakeholders.</p> <p>In the case of fraud or misconduct, Participant will forfeit all unvested Rights.</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues and/or the Exercise Price adjusted so that no advantage or disadvantage arises for the Participant. Right holders will not participate in Shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.

ASPECT	DETAILS
	Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights are exercised under the Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.
Hedging	The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.

VBC
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00PM AEST (Brisbane Time) Wednesday, 27 November 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Verbrec Limited hereby appoint

the Chairperson of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairperson of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Verbrec Limited to be held at Mezzanine Floor, 200 Mary Street, Brisbane, QLD, 4000 and virtually via <https://meetnow.global/MRFZLYZ> on Friday, 29 November 2024 at 1:00PM AEST (Brisbane Time) and at any adjournment or postponement of that meeting.

Chairperson authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairperson of the Meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolutions 1, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairperson.

Important Note: If the Chairperson of the Meeting is (or becomes) your proxy you can direct the Chairperson to vote for or against or abstain from voting on Resolutions 1, 3 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Phillip Campbell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

Resolution 3 Amendment to the prior approval of Verbrec Limited Rights Plan Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Termination Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairperson of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

<input type="text"/>	<input type="text"/>
Mobile Number	Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

VBC

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