Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

Verbrec Limited

ABN/ARBN

90 127 897 689

Financial year ended:

30 June 2021

Our corporate governance statement[1] for the period above can be found at this URL on our website:

☑ https://verbrec.com/investor-centre/corporate-governance/

The Corporate Governance Statement is accurate and up to date as at 27 August 2021 and has been approved by the board. The annexure includes a key to where our corporate governance disclosures can be located.[2]

Date: 27 August 2021

Name of authorised officer authorising lodgement:

Andrew Ritter, Company Secretary

(By order of the Board)

[1] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

[2] Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☑ and we have disclosed a copy of our board charter at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

[3] Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

[4] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		**Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:**	**Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]**
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☑ and we have disclosed a copy of our diversity policy at: https://verbrec.com/investor-centre/corporate-governance/ and we have disclosed the information referred to in paragraph (c) within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/ and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☑ and we have disclosed the evaluation process referred to in paragraph (a) in the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process is contained within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		**Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:**	**Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]**
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☑ and we have disclosed the evaluation process referred to in paragraph (a) in the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process is contained within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☑ The entity has in place a Nomination & Remuneration Committee and we have disclosed a copy of the charter of the committee at: https://verbrec.com/investor-centre/corporate-governance/ and the information referred to in paragraphs (4) and (5) within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☑ and we have disclosed our board skills matrix within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☑ and we have disclosed the names of the directors considered by the board to be independent directors within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/ and, where applicable, the information referred to in paragraph (b) is disclosed within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/ and the length of service of each director is disclosed within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
2.4	A majority of the board of a listed entity should be independent directors.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☑	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☑ and we have disclosed our values at: https://verbrec.com/about/people-and-culture/the-verbrec-way/	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☑ and we have disclosed our code of conduct at: www.Verbrec.com/investor-center/corporate-governance/	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☑ and we have disclosed our whistleblower policy at: www.Verbrec.com/investor-center/corporate-governance/	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☑ and we have disclosed our anti-bribery and corruption policy within the Code of Conduct at: www.Verbrec.com/investor-center/corporate-governance/	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☑ The entity has in place an Audit & Risk Committee and we have disclosed a copy of the charter of the committee at: https://verbrec.com/investor-centre/corporate-governance/ and the information referred to in paragraphs (4) and (5) is disclosed within the Corporate Governance Charter at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☑	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☑	☐ set out in our Corporate Governance Statement

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☑ and we have disclosed our continuous disclosure compliance policy at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☑	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☑	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☑ and we have disclosed information about us and our governance on our website at: https://verbrec.com/investor-centre/	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☑	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☑ and we have disclosed how we facilitate and encourage participation at meetings of security holders within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☑	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☑	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☑ We have disclosed a copy of the charter of the committee at: https://verbrec.com/investor-centre/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☑ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☑ The entity complies with paragraph (b) and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes are contained within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		**Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:**	**Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]**
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☑ and we have disclosed whether we have any material exposure to environmental and social risks within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☑ The entity has in place a Nomination & Remuneration Committee and we have disclosed a copy of the charter of the committee at: https://verbrec.com/investor-centre/corporate-governance/ and the information referred to in paragraphs (4) and (5) within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☑ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☑ and we have disclosed our policy on this issue or a summary of it within the Corporate Governance Statement at: https://verbrec.com/investor-centre/corporate-governance/	☐ set out in our Corporate Governance Statement **OR** ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		**Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:**	**Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]**
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: …… [*insert location*]	☐ set out in our Corporate Governance Statement **OR** ☑ we do not have a director in this position and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement **OR** ☑ we are established in Australia and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement **OR** ☑ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: …….. [*insert location*]	☑ we are not externally managed and this recommendation is therefore not applicable ☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		**Where a box below is ticked,[3] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:**	**Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[4]**
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: …….. [*insert location*]	☑ we are not externally managed and this recommendation is therefore not applicable ☐ set out in our Corporate Governance Statement

Verbrec Limited
(formerly LogiCamms Limited)
ABN 90 127 897 689

Corporate Governance Statement
For the Financial Year Ended
30 June 2021

Corporate Governance Statement – FY2021

This Statement has been approved by a resolution of the Board of Verbrec Limited (**"Verbrec" or "Company"**) and is current as at 27 August 2021.

Verbrec's approach to Corporate Governance

This Statement explains how Verbrec addresses the ASX Corporate Governance Council's. 'Corporate Governance Principles and Recommendations – 4th Edition' (**"ASX Principles"**).

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – *A listed entity should have and disclose a Board charter setting out:*

(a) the respective roles and responsibilities of its Board and Management; and

(b) those matters expressly reserved to the Board and those delegated to Management.

Role of the Board

The Board is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, diligently and fairly in accordance with the law and in the interests of the Shareholders with a view to building sustainable value for them, the Company's employees, and other stakeholders in the Company.

The Board has adopted a Board Charter, which sets out the Board's role and responsibilities, the powers that it has reserved for its own consideration and the authority it has delegated to the Executive. The Board's reserved powers and responsibilities as set out in the Board Charter include:

- setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- ensuring there are adequate resources available to meet the Company's objectives;
- appointing the Chief Executive Officer (who may be appointed as a Managing Director) (**"Chief Executive"**), evaluating the performance and determining the remuneration of senior executives, including any executive incentive plan, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- determining the size, composition and structure of the Board and evaluating the performance of the Board and its Directors on an annual basis;
- determining remuneration levels of Directors;
- approving and monitoring financial reporting and capital management;
- approving and monitoring annual budgets;
- approving and monitoring the progress of business objectives;
- ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);
- ensuring that adequate risk management procedures exist and are being used;
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;

- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- approving the dividend policy of the Company and authorising payment of dividends; and
- appointing or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit & Risk Committee.

Delegation to the Chief Executive and Executive Team

The Board has delegated to the Chief Executive responsibility for the day-to-day management of the Verbrec' group of companies, and implementation of policies and strategy set by the Board.

Recommendation 1.2 – *A listed entity should:*

(a) undertake appropriate checks before appointing a Director or Senior Executive or putting someone forward for election as a Director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Board has established a Nomination and Remuneration Committee whose responsibilities include assisting the Board with the selection and appointment of appropriate directors of the Company.

Appropriate checks are undertaken by the Company before appointing a person as a director and recommending that person for election (including character, experience, education, criminal record and bankruptcy history checks).

All material information that is relevant to the decision of whether or not to elect or re-elect a Director is provided to shareholders in the notice of meeting for the relevant AGM.

Recommendation 1.3 – *A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment*

All Directors enter into a written agreement with the Company which sets out their duties, responsibilities, rights, and remuneration entitlements, and all Directors provide a consent to act as a director prior to their appointment.

Each member of Verbrec' Executive team is employed under an executive services agreement which sets out the terms on which the Executive is employed, including details of the Executive's duties, responsibilities, rights, and remuneration entitlements.

Recommendation 1.4 – *The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board*

For any matter relevant to the Company's secretarial duties or conduct of the Board, the Company Secretary is accountable to the Chairperson of the Board.

Recommendation 1.5 – *A listed entity should:*

(a) have and disclose a diversity policy;

(b) through its Board or a Committee of the board set measurable objectives for achieving gender diversity in the composition of its Board, Senior Executives and workforce generally; and

(c) disclose in relation to each reporting period:

> ***(1) the measurable objectives set for that period to achieve gender diversity;***
>
> ***(2) the entity's progress towards achieving those objectives; and***
>
> ***(3) either:***
>
> ***(A) the respective proportions of men and women on the board, in Senior Executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or***
>
> ***(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.***

The Board has established a policy dealing with diversity within its workforce. The diversity policy is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

The Board through its committees monitors and reviews the Company's policies, including the diversity policy and other associated policies, to determine the effectiveness of the policies in the circumstances relevant to the industries in which the Company operates.

Verbrec reports under the *Workplace Gender Equality Act 2012* (Cth) and publication of Verbrec' Gender Equality Indicators can be found on the Workplace Gender Equality Agency website (https://www.wgea.gov.au/report/public-reports) and on the Verbrec website (https://verbrec.com/investor-centre/corporate-governance/).

Recommendation 1.6 – *A listed entity should:*

(a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The performance of the Board, its committees and individual directors is reviewed by the Chairperson each year. As part of the performance evaluation process, the Chairperson holds discussions with each individual Director which will take place prior to the end of the calendar year.

Recommendation 1.7 – *A listed entity should:*

(a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The performance evaluation of the Chief Executive and senior executives is conducted on an annual basis through a review process with the Board as well as through external advisors (as required) and industry benchmarking. In addition, the performance of the Chief Executive and senior executives is monitored consistently by the Board in assessing the performance of the Company at each meeting to identify areas of improvement to assist the Company.

Principle 2: Structure the Board to be effective and add value

Recommendation 2.1 – *The Board of a listed entity should:*

(a) have a Nomination Committee which:

> ***(1) has at least three members, a majority of whom are Independent Directors; and***
>
> ***(2) is chaired by an Independent Director,***

and disclose:

> ***(3) the charter of the Committee;***
>
> ***(4) the members of the Committee; and***
>
> ***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board has established a Nomination and Remuneration Committee. The Committee has a formal charter that is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board in relation to:

- the Group's remuneration policies and practices, including those of the Chief Executive and executive management;
- Board appointments and re-elections;
- Board and senior executive succession plans; and
- Board composition, competencies and diversity.

The Nomination and Remuneration Committee is also responsible for overseeing Director training and education programs, and the performance evaluation process for the Board, Board Committees and individual Directors.

The Chair of the Committee is Phillip Campbell, who is an Independent Director. The members of the Committee, the number of times the Committee met and individual attendance at those meetings during FY2021 are set out in the 2021 Annual Report.

All Non-Executive Directors are members of the Nomination and Remuneration Committee. Following the appointment of Ms Sarah Zeljko on 1 September 2020 a majority of the Committee are Independent Directors.

Recommendation 2.2 – *A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership*

The Board has in place a skills matrix and regularly assesses the balance of skills, knowledge, diversity and experience of its current Directors, which will support the effective functioning of the Board with regard to the strategic direction of the Company.

The skills and experience held within the Board for FY2021 were as follows:

Sector Experience	**Number of Directors (out of 5)**
Hydrocarbons	3
Minerals and Metals	3
Infrastructure	5
Geographic Experience	**Number of Directors (out of 5)**
Australia	5
New Zealand	5
Papua New Guinea	2
Functional Experience	**Number of Directors (out of 5)**
Listed Company Experience	4
Finance	4
Risk Management	5
Corporate Governance	4
Human Resources	5
Legal	4
Technology	3

Recommendation 2.3 – *A listed entity should disclose:*

(a) the names of the Directors considered by the board to be Independent Directors;

(b) if a Director has an interest, position or relationship of the type described in the ASX Principles but the Board is of the opinion that it does not compromise the independence

of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each Director.

Verbrec considers a Director to be independent if the Director is independent of management and free of a business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgement in relation to matters concerning Verbrec.

In determining whether a Director is independent, the Board has regard to:

- whether the Director is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- whether the Director is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- whether the Director is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- whether the Director is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- whether the Director has a material contractual relationship with the entity or its child entities other than as a director;
- whether the Director has close family ties with any person who falls within any of the categories described above;
- whether the Director has been a director of the entity for such a period that his or her independence may have been compromised;
- any materiality guidelines applied in accordance with Australian Accounting Standards; and
- any professional advice sought by the Board at its discretion.

The details of Verbrec' independent directors for FY2021 were:

Name of independent director	**Length of service as at 30 June 2021**	**Factors affecting independence**
Phillip Campbell	20 months	Minor shareholding
Matthew Morgan	20 months	Minor shareholding
Sarah Zeljko (appointed 1 September 2020)	10 months	None

Recommendation 2.4 – *A majority of the Board of a listed entity should be Independent Directors*

Following the appointment of Ms Sarah Zeljko on 1 September 2020 the Board of Verbrec has a majority of Independent Directors.

Recommendation 2.5 – *The Chair of the Board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.*

Mr Phillip Campbell, who is the current Chair of the Board, is an Independent Non-Executive Director and does not hold the role of Chief Executive.

Recommendations 2.6 – *A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.*

The program for the induction of new directors is set out in the Company's Board Charter. Newly appointed Directors are inducted so that they gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the culture and values of the Company;
- the rights, duties and responsibilities of the Directors;
- the roles and responsibilities of Senior Executives;
- the role of Board Committees;
- meeting arrangements; and
- Director integration with each other, senior executives and other stakeholders.

Directors are encouraged to attend continuing education to update and enhance their skills and knowledge at the Company's expense with the approval of the Chairperson (which approval is not unreasonably withheld).

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1 - *A listed entity should articulate and disclose its values*

"The Verbrec Way" is the articulation of the Company's values and is disclosed on its website at https://Verbrec.com/about-us/the-Verbrec-way/.

Recommendation 3.2 – *A listed entity should:*

(a) have and disclose a code of conduct for its Directors, Senior Executives and employees; and

(b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code.

Verbrec has a Corporate Code of Conduct that applies to Directors, officers, managers, employees, and consultants of Verbrec Limited and its subsidiaries, and it is expected that it will be complied with in all dealings in relation to the affairs of the Company's business and when dealing with each other, shareholders, and the broader community.

Verbrec' Corporate Code of Conduct is available on Verbrec' website (https://verbrec.com/about/people-and-culture/the-verbrec-way/).

Recommendation 3.3 *- A listed entity should:*

(a) have and disclose a whistleblower policy; and

(b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.

Verbrec has a Whistleblower policy that applies to Directors, officers, managers, employees, and consultants of Verbrec Limited and its subsidiaries, and it is expected that it will be complied with in all dealings in relation to the affairs of the Company's business and when dealing with each other, shareholders, and the broader community.

Recommendation 3.4 ***- A listed entity should:***

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The anti-bribery and corruption policy for Verbrec is contained within the Corporate Code of Conduct (refer to Recommendation 3.2 above).

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1 – ***The Board of a listed entity should:***

(a) have an audit committee which:

> ***(1) has at least three members, all of whom are Non-executive Directors and a majority of whom are Independent Directors; and***
>
> ***(2) is chaired by an Independent Director, who is not the Chair of the Board, and disclose:***
>
> ***(3) the charter of the Committee;***
>
> ***(4) the relevant qualifications and experience of the members of the Committee; and***
>
> ***(5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has established an Audit and Risk Committee. The Committee has a formal charter that is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

The Audit and Risk Committee is responsible for:

- reviewing the integrity and adequacy of the Company's financial reporting process;

- reviewing the adequacy of the Company's risk management framework (including the Risk Management Policy and Risk Management Plan adopted by the Company as set out below);
- overseeing the Company's compliance programs;
- approving the terms of engagement for the external auditor and internal auditor;
- assessing the performance and independence of the external auditor and the internal audit function;
- overseeing the process and procedures for the selection, appointment and removal of the external auditor (including the rotation of the external audit partner) and the internal auditor;
- making recommendations to the Board for the appointment or (if necessary) the removal of the external auditor and the head of the internal audit function; and
- making recommendations to the Board in relation to the Group insurance policies and financing arrangements.

The Chair of the Committee is Matthew Morgan, who is an Independent Director. The members of the Committee, their qualifications and experience, the number of times the Committee met and individual attendance at those meetings are set out in the 2021 Annual Report.

Following the appointment of Ms Sarah Zeljko on 1 September 2020 the Audit and Risk Committee has a majority of Independent Directors.

Recommendation 4.2 – *The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

Prior to the approval of the financial statements for a financial period, the Board receives from the Chief Executive and the Chief Financial Officer declarations in writing that, in their opinion:

- the financial records of the Company have been properly maintained;
- the financial statements for the financial period give a true and fair view of the Verbrec' group's financial condition and performance, and comply with the relevant accounting standards; and
- this opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively in all material respects.

Recommendation 4.3 – *A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

Any periodic corporate report that is released to the market that is not audited or reviewed by an external auditor undergoes an extensive review and approval process through the Board or a Committee of the Board prior to its release. Any announcement made to the market must first be approved by the Board and a statement of the approval is made on the announcement.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – *A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1*

The Board has established a policy for complying with its continuous disclosure obligations under the Listing Rules.

The objectives of the Continuous Disclosure Policy are:

- assist Verbrec to comply with its continuous disclosure obligations under the Corporations Act and the Listing Rules;
- establish procedures for the preparation, approval and release of announcements by the Company to ASX; and
- promote investor confidence in the integrity of the Company and its securities.

The policy covers various topics, including:

- Legal requirements;
- Best practice guidelines;
- Disclosure principle;
- Immediate disclosure;
- Disclosure of price sensitive information;
- Authorised spokespersons;
- Company announcements;
- Pre-result periods;
- Media and market speculation; and
- Trading halts and voluntary suspension.

Verbrec' Continuous Disclosure Policy ensures that matters having a material effect on the price of the Company's securities are notified to ASX in a timely manner.

A copy of the policy is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

Recommendation 5.2 – *A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.*

Any announcement that is released to the market undergoes an extensive review and approval process through the Board or a Committee of the Board prior to its release. Any announcement made to the market must first be approved by the Board and a statement of the approval is made on the announcement.

Recommendation 5.3 – *A listed entity that gives a new and substantive investor or analyst a presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

Should a representative of Verbrec provide a presentation to a substantive investor or analyst a copy of the presentation will be released to the market ahead of the presentation.

Principle 6: Respect the rights of security holders

Recommendation 6.1 – *A listed entity should provide information about itself and its governance to investors via its website*

Verbrec provides a substantial amount of information on its operations on its website, www.verbrec.com, including:

- the names and a brief summary of the backgrounds and experience of each of its Directors;
- the Board Charter and the charters of each committee of the Board; and
- the Company's corporate governance policies and other relevant materials.

Verbrec keeps investors informed of all major developments in an ongoing manner as follows:

- all shareholders are provided with a copy of the Company's Annual Report (at their election this is either in hard copy or electronically), and a copy of the Annual Report is available to potential investors on the Company's website;
- the annual and half-yearly financial reports are lodged with ASX, and are available to view both on ASX and Verbrec' website;
- ASX announcements are available on the website.

The Company's website also contains a dedicated Investor Relations section, containing:

- ASX announcements;
- Investor Presentations;
- Company Reports;
- Corporate Governance documents;
- Verbrec' Corporate Directory; and
- a Board of Directors section.

Recommendation 6.2 – *A listed entity should have an investor relations program that facilitates effective two-way communication with investors*

Verbrec has an investor relations program designed to communicate with its shareholders to ensure they are informed of all material information relating to the Company, and to promote shareholder involvement in the Company.

The Company's communications strategy promotes the communication of information to shareholders through the distribution of the annual report, half-year reports, and all announcements through the ASX. Releases provided to ASX are posted on the Company's website and made available on the Company website immediately after release to the market. The Company also provides other information about itself and its governance on the Company website.

Recommendation 6.3 – *Companies should disclose how it facilitates and encourages participation at meeting of security holders*

The Board encourages the participation of shareholders at the Annual General Meeting to seek to ensure a high level of accountability and discussion in relation to the Company's performance. Shareholders are encouraged to participate in the Annual General Meeting through asking questions and making comments. The Directors and Executives of the Company, including the Chief Executive and Chief Financial Officer, on occasion meet with analysts and investors. Any presentations made are released to the ASX.

The external auditor attends the annual general meetings (as well as any relevant extraordinary general meetings) to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

Recommendation 6.4 – *A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

At the most recent meeting of security holders (Annual General Meeting held on 27 November 2020) the resolutions were decided by poll. This practice will continue for all future meetings of the Company's security holders.

Recommendation 6.5 – *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company receives enquiries from shareholders through the Company website (https://verbrec.com/contact/) and responds directly to shareholders.

Shareholders also have the option to receive key communications from the Company and its share registry electronically.

Principle 7: Recognise and manage risk

Recommendation 7.1 – *The Board of a listed entity should:*

(a) have a Committee or Committees to oversee risk, each of which:

> ***(1) has at least three members, a majority of whom are Independent Directors; and***
>
> ***(2) is chaired by an Independent Director,***

and disclose:

> ***(3) the charter of the Committee;***
>
> ***(4) the members of the Committee; and***
>
> ***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have a risk committee or committees

that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board has a combined Audit and Risk Committee. The Committee has a formal charter that is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

Details of the structure, meeting frequency and attendance, and charter of the Audit and Risk Committee is set out in Recommendation 4.1.

Recommendation 7.2 – *The Board or a Committee of the Board should:*

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Risks identified by the Audit and Risk Committee or Management are raised and discussed regularly at Board meetings with the aim of identification, assessment and appropriate management of those risks.

Details of the material business risks which may impact on the Verbrec' group are set out in the Principal Activities & Review of Operations section of the 2021 Directors' Report.

Ways in which the Company seeks to minimise its risks include:

- capital and operational expenditure is approved via detailed budgets signed off by the Board with performance reviewed monthly, and forecasts revisited regularly;
- occupational health and safety standards are stringently managed throughout the business;
- business transactions are properly authorised and executed;
- attracting and retaining quality and ethical personnel through recruitment practices, training and annual performance reviews; and
- consideration of environmental obligations and compliance.

A review of the Company's risk management framework has occurred in the FY2021 reporting period.

Recommendation 7.3 – *A listed entity should disclose:*

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

Verbrec does not have a separate internal audit function. Rather, assessment of the appropriateness of the Company's Risk Management Framework and governance systems is conducted by the Audit and Risk Committee. The Committee also monitors management's response to recommendations arising from such assessments.

In addition, the Company has a Board Proposal Approval Committee (BPAC), chaired by an Independent Director, which provides governance over larger proposals to clients and prospective clients to assist the Board of Verbrec in fulfilling its responsibilities. Governance of smaller proposals is delegated to management.

Recommendation 7.4 – *A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

The Board acknowledges its requirement to report on material environmental, social and governance risks and will continue to refine its ESG reporting in line with best practice.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – *The Board of a listed entity should:*

(a) have a Remuneration Committee which:

> ***(1) has at least three members, a majority of whom are Independent Directors; and***
>
> ***(2) is chaired by an Independent Director,***

and disclose:

> ***(3) the charter of the Committee;***
>
> ***(4) the members of the Committee; and***
>
> ***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.

The Board has a combined Nomination and Remuneration Committee. The Committee has a formal charter that is available on Verbrec' website (https://verbrec.com/investor-centre/corporate-governance/).

Details of the structure, meeting frequency and attendance, and charter of the Nomination and Remuneration Committee is set out in Recommendation 2.1.

Following the appointment of Ms Sarah Zeljko on 1 September 2020 the Nomination and Remuneration Committee has a majority of Independent Directors.

Recommendation 8.2 –*A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of Executive Directors and other senior executives.*

Verbrec' remuneration structure distinguishes between Non-executive Directors and that of the Chief Executive and Executive Team (including Executive Directors). A Remuneration Report as required under section 300A(1) of the *Corporations Act 2001* is provided in the Director's Report which forms part of the 2021 Annual Report.

Recommendation 8.3 – *A listed entity which has an equity-based remuneration scheme should:*

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Verbrec maintains Short Term Incentives for its key Senior Executives and Executive Directors which are set and reviewed annually.

The Board, through its Nomination and Remuneration Committee, implemented a Performance Rights plan which was approved by Verbrec's Shareholders at the 2021 Annual General Meeting.

The key terms of the plan are as follows:

Term — Each Right has a Term of 15 years and if not exercised within that Term the Rights will lapse.

Measurement Period — The Measurement Period for all Rights outlined in this Invitation is from the commencement of FY21 to the completion of FY23 i.e. three financial years.

Service Condition — Continued service with the Group up to the Vesting Date is not a requirement for Rights to become eligible to vest. Service during the first year of the Measurement Period is a requirement in order for all Rights that are the subject of this Invitation to become eligible to vest.

Gate — For any vesting of Performance Rights to occur, the Company's total shareholder return (TSR) must be positive over the Measurement Period. TSR is the percentage gain for Shareholders over a specified period from share price growth and dividends assuming that dividends are reinvested into Shares.

Earnings Per Share Growth (EPSG) Vesting Condition — The vesting condition for the Performance Rights is EPSG as measured on a compound annual growth rate (CAGR) basis. The CAGR is calculated by comparing the EPS for the last year of the Measurement Period (Final EPS) with the ESP for the year prior to the commencement of the Measurement Period (Base EPS) and calculating the compound annual growth rate required to move from the Base ESP to the Final EPS over the term of the Measurement period.

EPS is calculate using normal accounting protocols.

Performance Level	CAGR for EPSG Over Measurement Period	Vesting %
Stretch	≥ 20%	100%
Between Target & Stretch	> 15% & < 20%	Pro-rata
Target	**15%**	**50%**
Between Threshold & Target	> 10% & < 15%	Pro-rata
Threshold	10%	25%
Below Threshold	< 10%	0%

It should be noted that vesting above the Target outcome is not likely, nor should it be expected. The Board retains discretion to modify vesting outcomes, if it deems it appropriate to do so; refer to Plan Rules.

Vesting and Vesting Date — If and when Rights vest, you will be notified by the Board in a Vesting Notice, which will specify the Vesting Date. Rights will typically vest following the completion of the Measurement Period based on an assessment of the Vesting Conditions, however Rights may vest before the end of the Measurement Period in some circumstances (refer to Rules, for example in the case of a delisting).

Exercise Price — The Exercise Price for Performance Rights is nil.

Recommendations 9.1, 9.2 and 9.3 do not apply to Verbrec.