ASX Announcement

5 October 2023

Cancellation of Performance Rights

Verbrec Limited (**ASX : VBC**) (**Verbrec** or the **Company**) a leading engineering, training and infrastructure services business executing work across Australia, New Zealand, PNG and Pacific Islands, today provides an announcement related to Performance Rights issued in FY2021, FY2022 and FY2023.

At the annual general meeting held on 27 November 2020 (**2020 AGM**), shareholders approved the Verbrec Limited Rights Plan (formerly the LogiCamms Limited Rights Plan) (the **Plan**). Certain employees (**Participants**) were delivered a letter of invitation (**Invitation**) to participate in the Plan, subject to the Verbrec Limited Rights Plan Rules (formerly the LogiCamms Limited Plan Rules) (the **Rules**).

Performance Rights Issued by the Company since 2020 AGM

TRANCHE	UNVESTED CONDITIONAL RIGHTS ISSUED	RIGHTS VESTED	RIGHTS LAPSED	END OF MEASUREMENT PERIOD
FY2021	3,738,848	0	0	30/06/2023 [1]
FY2022	4,562,500	0	0	30/06/2024
FY2023	2,053,500	0	0	30/06/2025

In accordance with the Rules [2], the Board retains certain discretions to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights.

The Board, after duly considering the perspective of Shareholders, has determined that Company Performance throughout the measurement period, and particularly the FY2023 results, do not warrant the award of Performance Rights to the Participants.

Further, after considering the short and longer term goals for the Company, the Board determined that the particulars and vesting criteria set out in the Invitations do not represent an optimal structure to incentivise executives to achieve a desired level of Company performance.

After due consideration, Board have therefore determined that the extent of vesting of the unvested Performance Rights issued in FY2021, FY2022 and FY2023 shall be

[1] The Company provided in its FY2023 Annual Report that the FY2021 Tranche of Performance Rights were due to be tested within 30 Business Days after the publication of the FY2023 Annual Report. Had these Performance Rights been tested rather than cancelled consistent with this Notice, those Rights would have failed against the vesting test criteria and would thus lapsed.

[2] Clause 14.1 of the Plan Rules provides that "The Board retains discretion to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period."

decreased to 0 (nil), effectively cancelling all of the Performance Rights issued by the Company to Participants since the 2020 AGM.

This change has been made without offering any consideration to Participants, in accordance with Listing Rule 6.23.1.

The effect of this change is detailed below and in the relevant Appendix 3H which has been published to the ASX.

Performance Rights Cancelled

TRANCHE	UNVESTED CONDITIONAL RIGHTS ISSUED	RIGHTS VESTED	RIGHTS LAPSED	DATE OF CANCELLATION
FY2021	0	0	3,738,848	28/09/2023
FY2022	0	0	4,562,500	28/09/2023
FY2023	0	0	2,053,500	28/09/2023

- ends –

Authorised for release by the Board of Directors of Verbrec Limited.

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About Verbrec Limited

Verbrec is a leading engineering and project services company that supports customers across Australia, New Zealand, PNG and beyond. The Company serves the energy, infrastructure, and mining industries through their technical specialties; asset management, automation and control, pipelines, power, process plant and training, with capabilities that span across the entire life cycle of an asset. Verbrec is an Australian Securities Exchange listed company (ASX:VBC).