

CEO Remuneration Update

Lark Distilling Co. Ltd (ASX: LRK) ("LARK" or the "Company") today announced that it has offered a Long-Term Incentive component ("LTI") for Chief Executive Officer ("CEO"), Satya Sharma.

Following Mr Sharma's appointment as CEO on 1 May 2023, the Company has now offered an LTI component to Mr Sharma which aligns his performance with the Company and its shareholders. The LTI being offered to Mr Sharma has been designed to ensure appropriate rewards are in place for the continued commercial success of the Company.

In accordance with ASX Listing Rule 3.16.4, the Company advises that Mr Sharma will be issued with a total of up to 3,766,000 Performance Rights expiring no later than five (5) years after the respective vesting dates of each tranche of the Performance Rights. The Performance Rights will be issued pursuant to the Company's Equity Incentive Plan and in four (4) tranches which shall have the terms and conditions set out at Annexure A.

Mr Sharma's Short-Term Incentive ("STI") has been reduced to 50% of base salary exclusive of superannuation at target (previously 75%), and in the case of highly superior performance by the Board in its sole discretion, up to 75% of base salary exclusive of superannuation (previously 125%). Any STI payments may be equity settled at the Board's discretion allowing flexibility with respect to cash outflows of the Company.

The material terms of Mr Sharma's employment contract previously announced on 4 November 2022 are otherwise unchanged.

About Lark Distilling Co:

Founded by pioneers Bill and Lyn Lark in 1992, LARK Distilling Co. has been crafting world-class, award-winning Tasmanian whisky for more than 30 years. From humble beginnings on a kitchen table, curiosity and courage bore Tasmania's very first licensed distillery in 154 years. LARK, Australia's No.1 Luxury Single Malt Whisky brand, houses a range of spirits headlined by its Single Malt Signature Collection; Classic Cask 43% ABV, Rebellion Chinotto Citrus Cask 44% ABV, and Tasmanian Lightly Peated 46% ABV, and its unique blended-malt whisky, Symphony No.1 40.2% ABV. The distillery also handcrafts a range of Forty Spotted Gins with native pepperberry, and Tasmanian liqueurs.

LARK is locally and internationally recognised for its quality, innovation, and people; awarded numerous prestigious accolades over the past three decades. At the World Whiskies Awards in August 2023, LARK took home Best Single Malt and Best Blended Malt in the region, as well several gold medals across the portfolio. Bill Lark was recognised and honoured for his life-long dedication to the advancement of Tasmanian whisky with the prestigious 'Lifetime Achievement Award' at the 2022 Spirits Business Awards in London.

At the Australian Whisky Awards in March 2023, LARK was proudly awarded "Distillery of the Year", LARK was crowned "Single Malt of the Year", Bill Lark was named "Personality of the Year", and Master Distiller Chris Thomson was named "Distiller of the Year". In August 2022 LARK received the Master Medal Award, in the World Whisky Masters for its innovative Chinotto II Cask Strength release, alongside a further seven gold medals across the portfolio.

LARK can be enjoyed at the iconic Hobart Cellar Door and neighbouring award-winning Whisky & Cocktail Bar The Still, as well as at leading cocktail, whisky and hotel bars across the world. LARK Distilling Co, a fabric of our community, is crafted from grain to glass, using the purest, natural elements from Tasmania. Welcome to the New World of Whisky.

For more information contact:

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This announcement has been approved for release by the Board of Directors.

Annexure A - Terms & Conditions of CEO LTIs

Vesting Date, Vesting Conditions and Attribution (unless a Corporate Control Event occurs during these periods – refer following item)		Vesting Condition		Number Vesting
	Tranche 2 (2025)	Share price hurdle: \$1.80	Continued Employment until: 30 June 2025	628,922
	Tranche 3 (2026)	Share price hurdle: \$2.10	Continued Employment until: 30 June 2026	836,052
	Tranche 4 (2027)	Share price hurdle: \$2.40	Continued Employment until: 30 June 2027	1,046,948
	Tranche 5 (2028)	Share price hurdle: \$2.70	Continued Employment until: 30 June 2028	1,254,078
* Note: If the share price hurdle for Year 4 and/or Year 5 is satisfied in Year 3, the vesting of Performance Rights for Year 4 and/or Year 5 (as applicable) will be accelerated and vest together with those Year 3 Performance Rights.				
Corporate Control Event	<p>Further to clause 21 of the Plan, if a Corporate Control Event (as defined under clause 2 of the Company's Plan) occurs during any of the specified continued employment periods set out in the "Vesting Date, Vesting Conditions and Attribution" clause above, the following basis for vesting will instead apply to the Rights offered under this Offer Letter:</p> <ul style="list-style-type: none"> (a) 40% of the issued Rights will vest immediately; and (b) if the Corporate Control Event: <ul style="list-style-type: none"> i. occurs on or before 31 December 2026, then a pro-rata amount of the remaining 60% of the issued Rights, based on the number of days elapsed from 1 January 2024 to the date of the Corporate Control Event, as a proportion of the total number of days from 1 January 2024 to 31 December 2026, will vest on the date of the Corporate Control Event; or ii. occurs on or after 31 December 2026, and before the Last Exercise Date of those Rights, then all such remaining and outstanding Rights will vest at the date of the Corporate Control Event. 			