

3 August 2023

ASX: EHL ('EMECO' OR 'THE COMPANY')

Changes to Managing Director & CEO Terms of Employment

Emeco advises that it has executed a number of changes to the terms of employment of Managing Director and Chief Executive Officer, Mr Ian Testrow. These changes are effective from 1 July 2023 and extend over the four-year period to 30 June 2027.

Detail of the material changes are set out in the annexure.

Emeco Chairman, Mr Peter Richards said: "The Board is pleased that Ian has agreed to continue to provide his invaluable operational and strategic leadership over the coming years. Whilst Ian's contract does not have a fixed term, the Board believes that the new arrangements agreed from 1 July 2023 appropriately incentivise and align his ongoing commitment to Emeco and will drive significant shareholder value well into the future."

The Company will seek shareholder approvals as required to implement the changes.

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Investor enquiries

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited

ANNUEXURE

Material Changes to Terms of Employment for Mr Ian Testrow

Topic	Description of term
Variation Period	From 1 July 2023 to 30 June 2027 (ie FY24 to FY27).
Total fixed remuneration (TFR)	<p>Increased to \$1.25m per annum (inclusive of superannuation) from \$1.062m per annum.</p> <p>Note: This is a permanent change to Mr Testrow's terms of employment.</p>
Incentive	<p>250% of TFR through participation in a short term and long term incentive scheme.</p> <p>Note: This is a permanent change to Mr Testrow's terms of employment.</p>
STI Plan	<p>Participation has increased from 80 to 130% of TFR for the Variation Period. A portion of the STI may be payable in equity* unless Mr Testrow elects to take the whole of any STI award as cash.</p> <p>All STI equity awards will vest on 30 June 2027.</p> <p>Any STI equity awards which are not approved by shareholders will be paid in cash.</p>
LTI plan	<p>LTI Plans in respect of FY24 to FY27 (inclusive) will have a one-year performance period.</p> <p>All equity awards granted will vest on the earlier of release of the Company's FY27 full year results and the end of Mr Testrow's employment.</p> <p>All awards will be in equity. Where shareholder approval for an award is not obtained, the award will be paid in cash.</p>
Termination	<p>If Mr Testrow resigns and his employment ends before 30 June 2027:</p> <ul style="list-style-type: none"> • the loan made to Mr Testrow as approved by shareholders at the Company's 2022 AGM) (Loan) will attract an interest rate of 12% per annum from the date the Loan was drawn until the repayment date (Loan previously interest free in all circumstances); • the Loan becomes due on the date Mr Testrow's employment ends (previously three months after Mr Testrow's employment ends); • Mr Testrow receives equity incentives tested and awarded prior to the date his employment ends. Any equity incentives in respect of part years worked or not yet worked will be forfeited; and • post-employment restraints will apply until 30 June 2027. <p>Mr Testrow's employment can only be terminated in specified circumstances, such as serious misconduct, material breach of policy and other similarly serious circumstances.</p>

<p>Total or permanent disability or death</p>	<p>If Mr Testrow's employment ends due to total or permanent disability or death the following benefits will be immediately paid or vested (as applicable)*:</p> <ul style="list-style-type: none"> • unpaid fixed remuneration up to 30 June 2027; and • maximum equity incentives available under the LTI Plans which have not yet been tested or awarded (in addition to equity incentives tested and awarded).
<p>Change of control event</p>	<p>If a there is an absolute or effective change of control of EHL, the following will be immediately paid or vested to Mr Testrow (as applicable)*:</p> <ul style="list-style-type: none"> • an amount equivalent to remuneration up to 30 June 2027; and • maximum equity incentives available under the LTI Plans which have not yet been tested or awarded (in addition to equity incentives tested and awarded). <p>Upon payment of the above amounts, the variation provides that the conditions of Mr Testrow's employment will largely revert to that of pre-variation (excluding the permanent changes noted above).</p>

* Subject to approval of shareholders.