

# Notice of Meeting

**Location:** Virtual Meeting

**Virtual Attendance:** <https://meetnow.global/MRGCYTN>

**Date:** Wednesday, 31 January 2024

**Time:** Commencing at 2:00PM AEST (Brisbane Time)

**Verbrec Limited (ASX : VBC)**

**Level 14, 200 Mary Street**

**Brisbane QLD 4000**

**ACN: 127 897 689**

**[verbrec.com](https://verbrec.com)**

# Key Dates

The key dates for the meeting are set out below:

Key Dates	
EVENT	DATE
Last day for receipt of proxies #	Monday, 29 January 2024 2:00PM Australian Eastern Standard Time (Brisbane Time)
Snapshot time for eligibility to vote	Monday, 29 January 2024 6:00PM Australian Eastern Standard Time (Brisbane Time)
Meeting	Wednesday, 31 January 2024 2:00PM Australian Eastern Standard Time (Brisbane Time)

# Proxy forms received after 1:00PM AEST (Brisbane Time) on Monday, 29 January 2024 will be disregarded.

## Questions

Shareholders are invited to contact the Company Secretary at [Investors@verbrec.com](mailto:Investors@verbrec.com) if they have any questions regarding the meeting.

# Notice of Meeting

Notice is given that the Meeting of Verbrec Limited (ACN: 127 897 689) (ASX : VBC) will be held on Wednesday, 31 January 2024 commencing at 2:00PM Australian Eastern Standard Time (Brisbane Time). Shareholders may attend the meeting by following the virtual attendance link below:

**Virtual Attendance:** <https://meetnow.global/MRGCYTN>

The Meeting will be held virtually only.

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 Meeting.

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

## Business

### Resolution 1: Issue of Placement Shares to Directors of the Company

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

***'That for the purposes of Listing Rule 10.11, to approve the issue of 1,500,000 Shares to non-executive Directors of the Company, including Mr. Phillip Campbell, Mr. Matthew Morgan and Ms. Sarah Zeljko, as detailed in the Explanatory Statement.'***

### Resolution 2: Issue of Broker Options

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

***'That, for the purposes of Listing Rule 7.1 and for all other purposes, to approve the issue of 6,860,000 Options to Veritas (Broker Options) as part of the consideration for the services provided as lead manager for the capital raising activities (including placement of Shares and shortfall of pro-rata entitlement offer) undertaken in November and December 2023.'***

### Resolution 3: Ratification of previous issue and allotment of Placement Shares

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

***'That, for the purposes of Listing Rule 7.4, and for all other purposes, to ratify and approve the previous issue and allotment of 31,823,491 Shares at an issue price of \$0.06 per Share on 27 November 2023, as detailed in the Explanatory Statement.'***

By Order of the Board

Joel Voss



Company Secretary

Verbrec Limited

29 December 2023

# Proxy Appointment, Voting and Meeting Instructions

## Meeting details and how to register, vote and ask questions

The Meeting of shareholders of the Company will be held virtually at **2:00pm Australian Eastern Standard Time (Brisbane time) on Wednesday, 31 January 2024**.

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

**Virtual Attendance:** <https://meetnow.global/MRGCYTN>

You will be able to vote live during the Meeting by visiting [www.investorvote.com.au](http://www.investorvote.com.au) 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 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](http://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 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 **2:00pm Australian Eastern Standard Time (Brisbane time) on Monday, 29 January 2024**. Any Proxy Form received after that time will not be valid for the Meeting. The Proxy Form may be lodged in one of the following ways:

- |                 |  |
|-----------------|--|
| <b>Online:</b>  | Follow the directions on the Proxy Form  |
| <b>By hand:</b> | Level 14, 200 Mary Street, Brisbane QLD 4000   |
| <b>By mail:</b> | Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia |
| <b>By fax:</b>  | 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](mailto: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 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.**

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](http://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 Monday, 29 January 2024** will, for the purposes of determining voting entitlements at the 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.

To assist the Board 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 Tuesday, 23 January 2024**:

**By Email:** [Investors@verbrec.com](mailto: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

# Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the 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.

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

## Background

On 20 November 2023, the Company announced that it had successfully placed 33,150,000 ordinary fully paid Shares (**Placement Shares**) under Listing Rule 7.1 by placement to institutional, sophisticated and strategic investors (**Placement**).

At the same time, the Company announced the launch of a non-renounceable entitlement offer to existing shareholders in Australia and New Zealand of 1 new Share for every 6.5 Shares held on the record date, also at a price of \$0.06 (**Entitlement Offer**), which if taken up in full by all participants had the potential to raise up to 34,051,571 fully paid shares. To the extent a shortfall was available after the closing date of the Entitlement Offer, this would then be placed consistent with Exception 3 of Listing Rule 7.2 (**Shortfall Placement**).

The entitlement offer closed on 7 December 2023, and on 14 December 2023 the Company issued 19,943,579 shares in connection with the Entitlement Offer.

On 15 December 2023, the Company issued 14,107,992 shares as part of the Shortfall Placement.

## Resolution 1: Issue of Placement Shares to Directors of the Company

Several non-executive Directors of the Company applied to participate in the Placement, and to receive Placement Shares, subject to a future approval of the shareholders pursuant to Listing Rule 10.11.

Accordingly, this Resolution 1 seeks shareholder approval to issue Shares to the Directors named in the below table pursuant to ASX Listing Rule 10.11.

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies (which it does not in respect of the Placement), an entity must not issue or agree to issue equity securities to any of the following persons:

- a related party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30% or more) holder in the entity;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10% or more) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- an associate of a person referred to in the paragraphs above; or
- a person whose relationship with the entity or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Thus, Shareholder approval is required under Listing Rule 10.11 for the Company to issue equity securities to a related party (including a Director of the Company). If Resolution 1 is approved by shareholders, the issue of the Placement Shares to the Directors will be excluded from the calculation of the Company's Placement Capacity under Listing Rule 7.1 and, therefore, shareholder approval under Listing Rule 7.1 will not be required for the purposes of the issue of the Placement Shares to the Directors.

Listing Rule 10.13 sets out the requirements for inclusion in this Notice for the approval of the issue of securities under Listing Rule 10.11.

This information is provided below:

### Details of Issue

Listing Rule 10.13 Requirement	Detail	
The name of the person and the number of securities proposed to be issued to the person	<b>Name</b>	<b>Number of securities</b>
	Mr Phillip Campbell	833,333
	Mr Matthew Morgan	416,667
	Ms Sarah Zeljko	250,000
Class of Securities	Fully paid ordinary shares of the Company (ASX : VBC)	
Terms of Issue	The Shares rank equally with all existing Shares on issue at the Issue Date	



The purpose of the issue, including the intended use of any funds raised by the issue.	General capital raising. The Company will use any funds received on the exercise of the Broker Options in accordance with the purposes for which funds were raised under the Placement, being to:  <div><div>1.</div><div>invest in the growth of core areas of the Company's business;</div></div> <div><div>2.</div><div>provide working capital for general operational efficiencies, covering the costs of the divestment of parts of the Company's training business and pursuing recovering of fees related to the final poor performing legacy project; and</div></div> <div><div>3.</div><div>reduce the Company's net debt position and minimise, as far as reasonably practicable and prudent, the Company's debt draw.</div></div>	
Which categories in rules 10.11.1 – 10.11.5 the person falls within and why	10.11.1, each being a related party as Director of the Company at the date of the Placement.  <i>* Ms Sarah Zeljko was a Director at the time of the Placement, but subsequently has retired but remains a related party having been a Director in the past 6 months.</i>	
Details (including the amount) of the Director's current total remuneration package	The following information is provided as part of good corporate governance, and consistent with Listing Rule 10.13.8. The issue is not intended to remunerate or incentivise the directors as the purchase price paid by the directors is the same purchase price offered in the Entitlement Offer.	
	<b>Name</b>	<b>Annual Director Fees</b>
	Mr Phillip Campbell	\$120,000
	Mr Matthew Morgan	\$75,000
	Ms Sarah Zeljko	\$0 ( <del>\$75,000</del> prior to retirement)
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	On or before 29 February 2024.	
The price or other consideration the entity will receive for the issue	<b>Name</b>	<b>Total issue price</b>
	Mr Phillip Campbell	\$49,999.98
	Mr Matthew Morgan	\$25,000.02
	Ms Sarah Zeljko	\$15,000.00
Are the securities issued under an agreement?	No.	
Voting exclusion statement	A voting exclusion statement is included for this resolution below.	

For the purposes of Listing Rule 14.1A:

1. If Resolution 1 is passed, the Placement Shares will be issued to the Director's within no more than one month from the date of the Meeting consistent with Listing Rule 10.13 and will be excluded in calculating the Company's Placement Capacity under Listing Rule 7.1.

2. If Resolution 1 is not passed, the Company will refund the amount paid by Directors for the Shares, and may, at Board discretion, utilise headroom in the Director's existing remuneration pool to fund the difference, allowing Director's to purchase shares on-market for the same price as the Placement Shares.

### **Voting exclusion statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the person(s) who are to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), including Mr Phillip Campbell, Mr Matthew Morgan & Ms Sarah Zeljko.
- an associate of that person or persons

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.

### **Director's recommendation**

The Directors consistent with good corporate governance refrain from providing a recommendation in relation to this resolution.

### **Resolution 2: Issue of Broker Options**

Veritas Securities Limited (**Veritas**) was the lead broker for the Placement and the Shortfall Placement.

As notified in the announcement on 20 November 2023, the Company has agreed to issue 4,000,000 options to acquire Shares to Veritas, as well as to issue to Veritas one Broker Option for every \$1.00 in gross proceeds from the Placement and the Shortfall Placement (but not the Entitlement Offer) (**Broker Options**). This agreement was subject to the Company applying for and receiving shareholder approval consistent with Listing Rule 7.1. The Broker Options have an exercise price of \$0.09 and expire two years from the date of issue.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period (**Placement Capacity**).

The Placement utilised the Company's Placement Capacity, and accordingly, the Company seeks approval under this Resolution 2 to issue the Broker Options consistent with Listing Rule 7.1.

If shareholders approve the issue of the Broker Options under this Resolution 2, the issue of the Broker Options will not contribute to the calculation of the Company's Placement Capacity.

Listing Rule 7.3 provides the details that are required to be provided under Listing Rule 7.1 in the notice of meeting seeking shareholder approval:

Details of Broker Options	
Listing Rule 7.3 Requirement	Detail
The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected.	Veritas Securities Limited
The class of securities the entity will issue	Broker Options (to acquire Shares)
The number of securities the entity will issue	6,860,000
If the securities are not fully paid, a summary of the material terms of the securities	Exercise Price = \$0.09 Expiry: Two years after date of issue The material terms of the Broker Options is attached as an Appendix to this Notice.
The date or dates on or by which the entity will issue the securities.	No later than 3 months after the date of the meeting.
The price or other consideration the entity will receive for the securities	Price = Nil (provided as consideration for Veritas acting as lead broker for the Placement and Shortfall Placement).
The purpose of the issue, including the intended use of any funds raised by the issue	As above The Company will use any funds received on the exercise of the Broker Options in accordance with the purposes for which funds were raised under the Placement, being to: <ol style="list-style-type: none"> <li>invest in the growth of core areas of the Company's business;</li> <li>provide working capital for general operational efficiencies, covering the costs of the divestment of parts of the Company's training business and pursuing recovering of fees related to the final poor performing legacy project; and</li> <li>reduce the Company's net debt position and minimise, as far as reasonably practicable and prudent, the Company's debt draw.</li> </ol>
If the securities are being issued under an agreement, a summary of any other material terms of the agreement	The Company has agreed to issue the Broker Options under its agreement with Veritas ( <b>Lead Manager Agreement</b> ).  Under the Lead Manager Agreement, Veritas agreed to provide the Company with brokerage and management services in connection with the conduct of the Placement and the Shortfall Placement. In consideration for Veritas providing

Listing Rule 7.3 Requirement	Detail
	these services, the Company agreed to issue the Broker Options to Veritas.
	The material terms of the Lead Manager Agreement is attached as an Appendix to this notice.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover	Not Applicable
Voting exclusion statement	A voting exclusion statement is included for this resolution below.

For the purposes of Listing Rule 14.1A:

1. If Resolution 2 is passed, the Broker options will be issued to Veritas within no more than three months from the date of the meeting consistent with Listing Rule 7.3 and will be excluded in calculating the Company's Placement Capacity under Listing Rule 7.1.
2. If Resolution 2 is not passed, the Company may settle the matter for cash consideration, the value of which has not been determined and would be subject to negotiation with Veritas.

### **Voting exclusion statement**

In accordance with 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 expected to participate in, or will obtain material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), including Veritas Securities Limited.
- an associate of that person or persons

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.

### **Director's recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 2.

### Resolution 3: Ratification of previous issue and allotment of Placement Shares

On 27 November 2023, the Company issued 31,823,491 Shares (**Placement Shares**) under Listing Rule 7.1 by placement to institutional, sophisticated and strategic investors (**Placement**).

Pursuant to the purposes of Listing Rule 7.5, the details of the Placement is as follows:

Details of Placement Shares	
Issue Date	27/11/2023
Number of Securities	31,823,491
Class of Securities	Fully paid ordinary shares of the Company (ASX : VBC)
Issue Price	\$0.06 per Share
Terms of Issue	The Shares rank equally with all existing Shares on issue at the Issue Date
Allottees	Institutional, wholesale and sophisticated investors identified and otherwise approach by Veritas as lead manager of the Placement. None of the Allottees (other than in respect of the Shares proposed to be issued to the Directors subject to the approval of Resolution 1) are related parties of the Company or otherwise persons to whom Listing Rule 10.11 applies, a member of the Key Management Personnel, a substantial Shareholder of the Company, an advisor of the Company or an associate of such persons.
Use of funds raised	<ol style="list-style-type: none"><li>1. Invest in the growth of core areas of its business;</li><li>2. Provide working capital for general operational efficiencies, covering costs of the divestments of parts of the Company's training business and pursuing recovery of fees related to the final poor performing legacy project; and</li><li>3. Reduce the Company's net debt position and minimise, as far as reasonably practicable and prudent, the Company's debt draw.</li></ol>
Voting exclusion statement	A voting exclusion statement is included for this resolution below.

Further information related to the Placement Shares can be found in the Company's announcements to the ASX on 20 November 2023, 24 November 2023 and 27 November 2023.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**Placement Capacity**).

The Placement shares do not fall within any of the exceptions under Listing Rule 7.2, and thus was issued in accordance with Listing Rule 7.1 without shareholder approval and effectively reduced the Company's Placement Capacity for the subsequent 12 months.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities subsequent to the date those equity securities were issued or agreed to be issued. If shareholders do approve the issue in this way, it is taken as approved pursuant to

Listing Rule 7.1 and the Placement Capacity taken up by the relevant issue of equity securities is effectively restored.

The Company and its Board wish to retain as much flexibility as possible to issue additional equity securities utilising the Placement Capacity afforded by Listing Rule 7.1.

Accordingly, this Resolution 3 seeks shareholder approval of the Placement Shares issued under and for the purposes of Listing Rule 7.4.

For the purposes of Listing Rule 14.1A:

1. If Resolution 3 is passed, the Placement Shares issued will be excluded in calculating the Company's Placement Capacity, effectively increasing the number of equity securities the Company can issue over the 12 months subsequent to the Placement without shareholder approval.
2. If Resolution 3 is not passed, the Placement Shares will contribute to the calculation of the Company's available Placement Capacity, effectively decreasing the number of equity securities it can issue without seeking further shareholder approval over the 12 months subsequent to the Placement.

### **Voting exclusion statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of:

- A person who participated in the issue of Placement Shares
- An associate of that person or persons

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.

### **Director's recommendation**

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

## Glossary

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

### Definitions

TERM	DEFINITION
<b>General Meeting</b> or <b>Meeting</b>	General meeting of Shareholders of the Company or any adjournment of it, convened by the Notice.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>Associates</b>	Has the same meaning as in the Listing Rules.
<b>ASX</b>	ASX Limited ACN 008 624 691, trading as the Australian Securities Exchange
<b>Board</b> or <b>Verbrec Board</b>	Board of Directors of the Company.
<b>Chairperson</b>	The Chairperson of the Board.
<b>Closely Related Party</b>	Has the same meaning as in the Corporations Act.
<b>Company</b> or <b>Verbrec</b>	Verbrec Limited ACN 127 897 689.
<b>Constitution</b>	Means the Constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	A Director of the Company.
<b>Explanatory Memorandum</b>	Means the Explanatory Memorandum set out in the body of this document.
<b>Group</b>	The Company and its subsidiaries
<b>Key Management Personnel</b> or <b>KMP</b>	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.
<b>Listing Rules</b>	The Listing Rules of ASX.
<b>Non-Executive Director</b>	A Director who is not an employee of the Company.
<b>Notice</b> and <b>Notice of General Meeting</b>	The Notice of General Meeting, which accompanies this Explanatory Statement.
<b>Placement Shares</b>	The Shares that are the subject of approval under Resolution 3.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company and Shares means any two or more of them.
<b>Shareholder</b>	A registered holder of a Share.



## Appendix A – Material Terms of Broker Options

1. **Right to Shares:** Each Option gives the option holder (Holder) the right to be issued or transferred one fully paid, ordinary share (Share) in Verbrec Limited (Company), in accordance with these terms of issue.
2. **Exercise Price:** The exercise price payable by the Holder upon exercise of each Option will be equal to \$0.09 (Exercise Price).
3. **Expiry Date:** Each Option automatically lapses at 5:00 pm Brisbane time on the date that is two years after the date of issue of the Options (Expiry Date).
4. **Exercise Period:** Each Option may be exercised at any time during the period commencing on the issue date of the New Option and ending on the Expiry Date (Exercise Period).
5. **Method of Exercise:** Options may be exercised by:
  - a. lodging with the Company during the Exercise Period a duly signed written notice of exercise, in the format specified by the Company from time to time, specifying the number of Options which are being exercised (Exercise Notice); and
  - b. payment of the Exercise Price by way of telegraphic transfer of cleared funds or a direct credit of cleared funds to the Company or any other method of providing the Exercise Price that is acceptable to the Company.

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for the Options being exercised in cleared funds.
6. **Shares on exercise:** Within 5 business days after receipt of a valid Exercise Notice accompanied by full payment of the Exercise Price, the Company will:
  - a. issue to or transfer to the Holder the number of Shares specified or taken to be specified in the Exercise Notice;
  - b. cancel the certificate for the Options being exercised and update the option register accordingly; and
  - c. if applicable, issue a new option certificate for any unexercised Options.
7. **Ranking:** Except in relation to any restrictions on disposal of the Shares by law or by agreement with the Company, all Shares issued or transferred upon the exercise of New Options will rank pari passu in all respects with other Shares of the Company from the date of issue or transfer to the Holder, other than in respect of rights attaching to Shares by reference to a record date prior to the date of their issue or transfer to the Holder.



8. **Transfer of Options:** The New Options may not be transferred at any time without the prior written consent of the Company. No transfer is effective until the Company processes the transfer, updates the options register and issues a new option certificate or confirmation to the new registered holder.
9. **No Rights to Participate in New Issues:** The Holder has no right or entitlement, without exercising the Option, to participate in new issues of Shares offered to the Company's shareholders during the Exercise Period, whether by way of rights issue, bonus issue (except as contemplated below) or other pro-rata offer of Shares to shareholders.
10. **No Rights to Participate in Dividends:** The Holder has no right or entitlement to participate in any dividends of the Company until the Share is issued or transferred to the Holder on exercise of the Option and then only in respect of rights attaching to Shares by reference to a record date on or after the date of their issue or transfer to the Holder.
11. **Capital reconstruction:** If there is a reorganisation of the issued capital of the Company before the Expiry Date then the number of Options to which a Holder is entitled, or the Exercise Price (or both) will be reconstructed (as appropriate) in accordance with ASX Listing Rule 7.22 (or its replacement or successor). The rights of the Holder under the terms of issue may be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
12. **No other rights:** The Holder has no rights or entitlements in addition to those set out above to a change in the Exercise Price, or a change to the number of Shares over which the Option can be exercised. Other than as set out in these terms of issue, the terms of the Options may only be amended by the Company with the consent of the Holder and subject to applicable law, including the ASX Listing Rules.
13. **Quotation:** The Options are unlisted and quotation of the Options will not be sought. If the Shares resulting from the exercise of the Options are issued and not transferred, the Company will immediately apply for quotation of the Shares on the ASX.

## Appendix B – Material Terms of the Lead Management Agreement

### Background:

See the Verbrec announcement dated 20 November 2023 titled 'Verbrec Capital Raise – Announcement' and 'Verbrec Capital Raise – Presentation' for details including timeline of the Placement, Entitlement Offer and Shortfall Placement.

See the Verbrec announcement dated 13 December 2023 titled 'Verbrec Capital Raise – Results' for details of the results of the Placement, Entitlement Offer and Shortfall Placement.

### Consideration:

**Fees:** As consideration for performing the Services under the Lead Management Agreement, Verbrec agreed to pay Veritas:

1. An overriding management fee of 2.0% of the gross proceeds from the Placement;
2. A selling fee of 4.0% of the proceeds of the Placement and Shortfall Placement placed by Veritas, but excluding any contributions from directors and employees of the Company.

The management fee is payable upon completion of the Placement.

The selling fee is payable on completion of the Shortfall Placement (and if the Shortfall Placement is undertaken in parts, on each date that part of the Shortfall Placement is complete).

**Broker Options:** As consideration for performing the Services under the Lead Management Agreement, Verbrec agrees, subject to sufficient Placement Capacity, to issue to Veritas Broker Options:

1. 4,000,000 Broker Options in consideration for Veritas acting as lead manager; plus
2. 1 Broker Option for every \$1.00 of gross proceeds from the Placement and the Shortfall Placemen, but excluding any contributions from directors and employees of the Company

The Broker Options are to be issued to Veritas the later of:

3. Upon completion of the Placement, 4,000,000 Broker Options;
4. Upon Completion of the Shortfall Placement, the amount calculated with reference to point 2 above (and if the Shortfall Placement is undertaken in parts, on each date that part of the Shortfall Placement is complete)
5. In the event that the Company does not have sufficient Placement Capacity to issue the Broker Options, upon receiving shareholder approval consistent with Listing Rule 7.1.

**Reimbursements:** Verbrec will reimburse Veritas for any reasonable out of pocket expenses in relation to the appointment as lead manager, up to a maximum of \$15,000 AUD.

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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00PM AEST** (Brisbane time) **Monday, 29 January 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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](http://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 Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman 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 Chairman 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 Extraordinary General Meeting of Verbrec Limited to be held online at <https://meetnow.global/MRGCTN> on Wednesday, 31 January 2024 at 2:00PM AEST (Brisbane time) and at any adjournment or postponement of that meeting.

## 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.

	For	Against	Abstain
1 Issue of Placement Shares to Directors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of previous issue and allotment of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman 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.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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





**Verbrec Limited (ASX : VBC)**

**Level 14, 200 Mary Street**

**Brisbane QLD 4000**

**[verbrec.com](http://verbrec.com)**