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**VERIS LIMITED**  
**ACN 122 958 178**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am (AEDT)  
**DATE:** 19 October 2022  
**PLACE:** Clifton Fresh Water Place  
Level 18, 2 Southbank Boulevard  
SOUTHBANK VIC 3006

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00PM (AEDT) on 17 October 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

*A voting prohibition statement applies to this Resolution. Please see below.*

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – DR MICHAEL SHIRLEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 15.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Michael Shirley, a Director who was appointed as a casual Director on 1 June 2022, retires, and being eligible, is elected as a Director."*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MS TRACEY GOSLING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 15.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Ms Tracy Gosling, a Director who was appointed as an additional Director on 1 April 2022, retires, and being eligible, is elected as a Director."*

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#### 5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR KARL PAGANIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 15.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Karl Paganin, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**6. RESOLUTION 5 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Employee Securities Incentive Plan” and for the issue of a maximum of 26,000,000 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

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**7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DR MICHAEL SHIRLEY**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 5,371,428 Performance Rights to Dr Michael Shirley (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**8. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**9. RESOLUTION 8 – REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

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**Dated: 14 September 2022**

**By order of the Board**

A handwritten signature in black ink, appearing to read 'S. Harding', with a stylized flourish at the end.

**Steven Harding**  
**Chief Financial Officer and Company Secretary**

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul> </li> </ul>
<b>Resolution 5 – Adoption of Employee Securities Incentive Plan</b>	<p>A person appointed as a proxy must not vote on the basis of that appointment, on Resolutions 5 or 6 if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on Resolutions 5 or 6.</li> </ul> <p>However, the above prohibition does not apply if:</p>
<b>Resolution 6 – Issue of Performance Rights to Dr Michael Shirley</b>	<ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though Resolutions 5 or 6 are connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 5 – Adoption of Employee Securities Incentive Plan</b>	<p>A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.</p>
<b>Resolution 6 – Issue of Performance Rights to Dr Michael Shirley</b>	<p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Dr Michael Shirley) or an associate of that person or those persons.</p>

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a 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
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9317 0600.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.veris.com.au](http://www.veris.com.au) or on the ASX Platform for Veris Limited (ASX:VRS) at [www.asx.com.au](http://www.asx.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

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## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – DR MICHAEL SHIRLEY**

### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Shirley, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **3.2 Qualifications and other material directorships**

Dr Michael Shirley has over 30 years of industry experience, leading and engaging complex teams whilst delivering business growth and strong commercial outcomes.

Dr Shirley has worked across the natural resources, environment, water, buildings and infrastructure sectors across Australia and globally.

Dr Shirley has held senior executive roles for leading organisations including Sinclair Knight Merz, Jacobs and most recently Aurecon where he was the Managing Director Clients. Michael has a demonstrated track record of strategic and operational leadership, delivering outstanding long-term business growth.

### **3.3 Independence**

Dr Shirley has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board does not consider Dr Shirley will be an independent Director.

### **3.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Dr Shirley.



### **3.5 Board recommendation**

The Board has reviewed Dr Shirley's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Dr Shirley) supports the election of Dr Shirley and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – ELECTION OF DIRECTOR – MS TRACEY GOSLING**

### **4.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Tracey Gosling will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **4.2 Qualifications and other material directorships**

Ms Gosling is an accomplished and adaptive senior leader with deep experience in formulating and refining growth plans centred on the transformation and commercialisation of digital strategies. Ms Gosling has broad executive experience across a range of sectors including IT, telecommunications, transport, and professional services.

Ms Gosling has served previously on the Geoscape Board and Investment Committee for 2.5 years. Ms Gosling is also a member of the Australian Institute of Company Directors GAICD and has previously served in a range of roles in the Government sector across Australia.

### **4.3 Independence**

Ms Gosling has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Ms Gosling will be an independent Director.

### **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Ms Gosling.

Ms Gosling has confirmed that she considers she will have sufficient time to fulfil her responsibilities as a Non-Executive Director of the Company and does not

consider that any other commitment will interfere with her availability to perform her duties as a Non-Executive Director of the Company.

#### **4.5 Board recommendation**

The Board has reviewed Ms Gosling's performance since her appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Ms Gosling) supports the election of Ms Gosling and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR KARL PAGANIN**

#### **5.1 General**

Listing Rule 14.4 and clause 15.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer.

Karl Paganin retires by rotation and seeks re-election.

#### **5.2 Qualifications and other material directorships**

Mr Paganin has over 20 years senior experience in Investment Banking. He specialises in transaction structuring, equity capital markets, mergers and acquisitions and strategic management advice to ASX listed companies. He has also been and continues to be a non-executive director of various ASX listed companies.

Mr Paganin practised with major national law firms and was then appointed as Senior Legal Counsel for the family company of the Holmes a Court family, Heytesbury Holdings Pty Ltd, where he spent 11 years. His roles varied from Senior Legal Counsel to Director of Major Projects, a role which involved having conduct of all major transactions within the Group.

Subsequent to Heytesbury, Mr Paganin spent 15 years as a senior investment banker in Perth. In 2002, he joined the Perth based Euroz Securities and established its Corporate Finance Department. In 2010, he established and was Managing Director of GMP Australia Pty Ltd, an affiliate of a Canadian resources focused specialist investment bank.

Mr Paganin is currently Non-Executive Director of ASX listed Southern Cross Electrical Engineering Limited.

Mr Paganin holds degrees in Law (B.Juris, LLB) and Arts (BA) from the University of Western Australia.

Mr Paganin was also a founding director of Spectrum Space (formally Autism West) a not-for-profit charity focusing on providing opportunities for adolescents on the Autism Spectrum.

#### **5.3 Independence**

Mr Paganin has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the

best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Paganin will be an independent Director.

#### **5.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Paganin.

#### **5.5 Board recommendation**

The Board has reviewed Mr Paganin's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Mr Paganin) supports the re-election of Mr Paganin and recommends that Shareholders vote in favour of Resolution 2.

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### **6. RESOLUTION 5 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

#### **6.1 General**

Resolution 5 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of up to a maximum of 26,000,000 securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

#### **6.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)**

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 5 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the

maximum number of securities stated in Section 6.3(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 5 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

### 6.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 5:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 1;
- (b) the Company has issued 1,413,668 securities under its existing plan (**Existing Plan**) since the Existing Plan was last approved by Shareholders on 21 November 2018;
- (c) the Company intends the Plan to replace the Existing Plan if approved by Shareholders;
- (d) the Company is seeking shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme); and
- (e) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 26,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

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## 7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DR MICHAEL SHIRLEY

### 7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 5,371,428 Performance Rights to Dr Michael Shirley (or their nominee) pursuant to the Company's Long Term Incentive Plan (**LTI Plan**) and on the terms and conditions set out below (**Performance Rights**).

The LTI Plan is an employee incentive scheme which has been established primarily in connection with the remuneration arrangements for the Company's senior management team.

The Company advises that the LTI Plan is separate to the proposed Employee Incentive Securities Plan the subject of Resolution 5 and was approved by the Board on 18 August 2022. While detailed terms of the LTI Plan (ie, the quantum of Performance Rights to be issued, and the detailed wording for the vesting conditions) was not approved until 18 August 2022, the relevant performance

measures for executive performance have been considered by the Board since 1 July 2022 and broadly agreed in principle at that time.

## **7.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to Dr Shirley (or their nominee) constitutes giving a financial benefit and Dr Shirley is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Shirley) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights, because the issue of the Performance Rights constitutes reasonable remuneration payable to Dr Shirley.

## **7.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Dr Shirley falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 6 seeks the required Shareholder approval for the issue of Performance Rights under and for the purposes of Listing Rule 10.14.

## **7.4 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to, among other persons, a "related party" of the Company, without prior shareholder approval. As Managing Director of the Company, Dr Shirley is a "related party" of the Company pursuant to the ASX Listing Rules definitions. ASX Listing Rule 10.12 (exception 8) provides that a company does not need to obtain prior shareholder approval for an issue or proposed issue of equity securities to a related party if shareholder approval is obtained for the issue or proposed issue under ASX Listing Rule 10.14. Accordingly, the Company is not seeking shareholder approval under ASX Listing Rule 10.11 for the proposed grant of Performance Rights to Dr Shirley.

## 7.5 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of Performance Rights to Dr Shirley under the LTI Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Dr Shirley under the LTI Plan.

## 7.6 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the Performance Rights will be issued to Dr Shirley (or their nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued to Dr Shirley (or their nominee) is 5,371,428;
- (c) the current total remuneration package for Dr Shirley is \$470,000 per annum, comprising of directors' fees/salary of \$442,500 and a superannuation payment of \$27,500. If the 5,371,428 Performance Rights are issued, the total remuneration package of Dr Shirley will increase by \$402,857 to \$872,857, being the value of the Performance Rights at 7 September 2022 (based on the closing Share price of the Company as at 7 September 2022) as follows:

<i>Underlying Share Price as at 7 September 2022:</i>	<i>\$0.075</i>
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<i>Amount of Performance Rights:</i>	<i>5,371,428</i>
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<i>Value of Performance Rights (\$0.075 multiplied by the amount of Performance Rights):</i>	<i>\$402,857</i>
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- (d) the Company has not received an independent valuation of the Performance Rights;
- (e) no Performance Rights have previously been issued to Dr Shirley under the LTI Plan;
- (f) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 2;
- (g) the Performance Rights are unquoted. The Company has chosen to grant the Performance Rights to Dr Shirley for the following reasons:
  - (i) the Performance Rights are unlisted equity securities convertible into Shares, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Performance Rights to Dr Shirley will align the interests of Dr Shirley with those of Shareholders;

- (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Dr Shirley; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (h) the Company values the Performance Rights at \$402,857 based on the closing Share price of the Company as at 7 September 2022;
- (i) the Performance Rights will be issued to Dr Shirley (or their nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (j) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (k) a summary of the material terms and conditions of the LTI Plan is set out in Schedule 3;
- (l) no loan is being made to Dr Shirley in connection with the acquisition of the Performance Rights;
- (m) details of any Performance Rights issued under the LTI Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the LTI Plan and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (o) a voting exclusion statement has been included for Resolution 6 at page 4 of this Notice.

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## **8. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE**

### **8.1 General**

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% in accordance with the formula under Listing Rule 7.1A.2 (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$39.3 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 7 September 2022).

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **8.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

#### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).



(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of the Company's Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) the development of the Company's current business; and
- (iii) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 7 September 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.038	\$0.075	\$0.11
			50% decrease	Issue Price	50% increase
			Funds Raised		
<b>Current</b>	523,749,464 Shares	52,374,946 Shares	\$1,964,060	\$3,928,120	\$5,892,181
<b>50% increase</b>	785,624,196 Shares	78,562,419 Shares	\$2,946,090	\$5,892,181	\$8,838,272
<b>100% increase</b>	1,047,498,928 Shares	104,749,892 Shares	\$3,928,120	\$7,856,241	\$11,784,362

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 523,749,464 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing market price of the Shares on the ASX on 7 September 2022 (being \$0.075).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 20 October 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 19 October 2021, being 12 months prior to the Meeting, the Company has not issued any Equity Securities pursuant to the Previous Approval.

### **8.3 Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## **9. RESOLUTION 8 – REPLACEMENT OF CONSTITUTION**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 8 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 20 October 2021.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. A summary of the material changes proposed to be included in the Proposed Constitution is set out in section 9.1 below.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <http://www.veris.com.au/> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

## **9.1 Summary of material proposed changes**

### **Use of technology (clause 14)**

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

### **Partial (proportional) takeover provisions (refreshing clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to

acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

#### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (a) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (b) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

#### *Recommendation of the Board*

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Veris Limited (ACN 122 958 178).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Managing Director** means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – TERMS AND CONDITIONS OF THE COMPANY'S EMPLOYEE SECURITIES INCENTIVE PLAN

<b>Eligible Participant</b>	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
<b>Purpose</b>	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of Eligible Participants;</li> <li>(b) link the reward of Eligible Participants to Shareholder value creation; and</li> <li>(c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.</li> </ul>
<b>Plan administration</b>	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth). The Board may delegate its powers and discretion.
<b>Eligibility, invitation and application</b>	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
<b>Grant of Securities</b>	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
<b>Rights attaching to Convertible Securities</b>	<p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> <li>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;</li> <li>(b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</li> <li>(c) is not entitled to receive any dividends declared by the Company; and</li> <li>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</li> </ul>
<b>Restrictions on dealing with Convertible Securities</b>	A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.



		However, in Special Circumstances under the Plan (including in the case of death, total or permanent disability, retirement, redundancy or severe financial hardship of the Participant) with the consent of the Board (which may be withheld in its absolute discretion).
<b>Listing Convertible Securities</b>	<b>of</b>	A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
<b>Vesting Convertible Securities</b>	<b>of</b>	Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
<b>Exercise Convertible Securities and cashless exercise</b>	<b>of</b>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<b>Timing of issue of Shares and quotation of Shares on exercise</b>		As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
<b>Forfeiture Convertible Securities</b>	<b>of</b>	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest;</li> <li>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</li> <li>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</li> <li>(d) on the date the Participant becomes insolvent; or</li> </ul>

	(e) on the Expiry Date, unless the Board otherwise determines.
<b>Change of control</b>	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
<b>Plan Shares</b>	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
<b>Rights attaching to Plan Shares</b>	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, <b>(Plan Shares)</b> will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
<b>Disposal restrictions on Plan Shares</b>	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> <li>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or</li> <li>(b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.</li> </ul>
<b>General Restrictions on Transfer of Plan Shares</b>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued on exercise of Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder upon exercise of the Convertible Shares shall be subject to the terms of the Company's Securities Trading Policy.</p>
<b>Adjustment of Convertible Securities</b>	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

	<p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
<b>Buy-Back</b>	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
<b>Employee Share Trust</b>	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
<b>Maximum number of Securities</b>	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% (if the securities offered under the Plan have an exercise price) or 20% (if the securities offered under the Plan do not have an exercise price) of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage).
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
<b>Plan duration</b>	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
<b>Income Tax Assessment Act</b>	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the key terms and conditions of the Performance Rights to be issued by the Company to Dr Shirley are set out below:

Feature	Approach
<b>Maximum entitlement to Shares</b>	The 5,371,428 Performance Rights proposed to be issued to Dr Shirley will convert into Shares on a one for one basis. If all of the vesting conditions are satisfied, Dr Shirley will be entitled to receive 5,371,428 Shares.
<b>Vesting conditions</b>	Refer to the table below for the vesting conditions which apply to the Performance Rights.
<b>Milestone/KPI assessment date</b>	2,685,714 Performance Rights will be assessed on 30 June 2023 (for the performance period commencing on 1 July 2022). Dr Shirley must remain employed by the Company on 1 July 2022.
	2,685,714 Performance Rights will be 30 June 2024 (for the performance period commencing on 1 July 2023). Dr Shirley must remain employed by the Company on 1 July 2023.
<b>Date of grant</b>	Subject to Shareholder approval, the Performance Rights will be granted soon after the conclusion of the Meeting.
<b>Exercise period</b>	12 months following vesting of the relevant Performance Rights.
<b>Price payable on grant or vesting</b>	No amount will be payable in respect of the grant or upon vesting of the Performance Rights.
<b>Board discretion</b>	The Board has discretion to vary outcomes pursuant to the rules of the Plan having regard to the circumstances at the time (including in the event the outcome would result in an inappropriate outcome).
<b>Treatment on termination</b>	The Performance Rights are granted on the basis that vested Performance Rights remain on foot on cessation of employment, and unvested Performance Rights will lapse in accordance with the Plan.
<b>Change of control</b>	100% of unvested Performance Rights will immediately vest on a Change of Control Event (as defined in the Plan), provided the participant remains employed by the Company at that time.
<b>Transfer</b>	The Performance Rights are not transferable.
<b>Participation in new issues</b>	A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
<b>Return of capital</b>	A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
<b>Dividend and voting rights</b>	The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
<b>Rights on winding up</b>	A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

Number of Performance Rights	Vesting condition																						
2,685,714	<p>Vesting upon the Company achieved a total share return (<b>TSR</b>) as follows:</p> <p>(a) 1,342,857 Performance Rights based on the FY23 milestones below; and</p> <p>(b) 1,342,857 Performance Rights based on the FY24 milestones below.</p> <p>TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the growth in a company's share price over the period as well as the dividends received during that period. The formula for calculating TSR is:</p> <p><b><u>(Share Price at Test Date – Share Price at Start Date) + (Dividends Received)</u></b> <b>Share Price at Start Date</b></p> <p>A Company share price of \$0.07 Share, being the Share Price of the Company's Shares on the ASX at 1 July 2022, will be used to determine Share Price at the Start Date (<b>Starting Price</b>).</p> <p>A Volume Weighted Average Share Price (<b>VWAP</b>) will be used to determine the Share Price at each Test Date, being 30 June 2023 and 30 June 2024. These will be based on the VWAPs over the one week period prior to each Test Date.</p> <p>The KMP Performance Conditions will include:</p> <p>(a) a threshold target growth of 12.5% per annum (compounded over the period from the Starting Price to the Test Date); and</p> <p>(b) a stretch performance of 20% per annum (compounded over the period from the Starting Price to the Test Date)</p> <p>The percentage of the consideration that are tested against TSR which vest will be determined as follows:</p> <table><tr><th>TSR performance over relevant Performance Period</th><th>Performance vesting outcomes</th></tr><tr><td>Less than 12.5% per annum compounded</td><td>0% vesting</td></tr><tr><td>12.5% per annum compounded</td><td>50% vesting</td></tr><tr><td>Between 12.5% and 20% per annum compounded</td><td>Pro-rata vesting between 50% and 100%</td></tr><tr><td>At or above 20% per annum compounded</td><td>100% vesting</td></tr></table> <p>As a consequence of the Starting Price at Start Date being \$0.07 Share and the target TSR performance shown above, the following share prices would trigger the TSR Performance at 30 June 2023:</p> <p>FY23 LTI TSR thresholds at 30 June 2023:</p> <table><tr><td>&lt;12.5%</td><td>=</td><td>&lt; 9.37 cents per share</td></tr><tr><td>12.5%</td><td>=</td><td>50% vesting at 9.37 cents per share</td></tr><tr><td>12.5% - 20%</td><td>=</td><td>pro rata vesting between 9.37 cents per share to 10.66 cents per share</td></tr><tr><td>&gt;20%</td><td>=</td><td>100% vesting at 10.66 cents per share or greater</td></tr></table> <p><i>Note: TSR target share prices shown above have been determined based on the assumption that no dividend is payable prior to the 30 June 2023 Test Date. Should a dividend be declared and paid prior to the 30 June 2023 Test Date, the TSR thresholds will be revised to incorporate any dividend payments.</i></p>	TSR performance over relevant Performance Period	Performance vesting outcomes	Less than 12.5% per annum compounded	0% vesting	12.5% per annum compounded	50% vesting	Between 12.5% and 20% per annum compounded	Pro-rata vesting between 50% and 100%	At or above 20% per annum compounded	100% vesting	<12.5%	=	< 9.37 cents per share	12.5%	=	50% vesting at 9.37 cents per share	12.5% - 20%	=	pro rata vesting between 9.37 cents per share to 10.66 cents per share	>20%	=	100% vesting at 10.66 cents per share or greater
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Number of Performance Rights	Vesting condition												
	<p>FY23 LTI Plan TSR thresholds at 30 June 2024:</p> <table><tr><td>&lt;12.5%</td><td>=</td><td>&lt; 10.54 cents per share</td></tr><tr><td>12.5%</td><td>=</td><td>50% vesting at 10.54 cents per share</td></tr><tr><td>12.5% - 20%</td><td>=</td><td>pro rata vesting between 10.54 cents per share to 12.79 cents per share</td></tr><tr><td>&gt;20%</td><td>=</td><td>100% vesting at 12.79 cents per share or greater</td></tr></table> <p><i>Note: TSR target share prices shown above have been determined based on the assumption that no dividend is payable prior to the 30 June 2024 Test Date. Should a dividend be declared and paid prior to the 30 June 2024 Test Date, the TSR thresholds will be revised to incorporate any dividend payments.</i></p>	<12.5%	=	< 10.54 cents per share	12.5%	=	50% vesting at 10.54 cents per share	12.5% - 20%	=	pro rata vesting between 10.54 cents per share to 12.79 cents per share	>20%	=	100% vesting at 12.79 cents per share or greater
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1,342,857	<p>1,342,857 Performance Rights will be measured on the Company's earnings per share (<b>EPS</b>) performance in the financial year ending 30 June 2023.</p> <p>EPS measures the portion of a company's profit allocated to each outstanding ordinary share and serves as an indicator of a company's profitability.</p> <p>For the purposes of performance testing the Performance Rights, EPS in the 2023 financial year will be the basic EPS for the year, as prescribed by the accounting standards and set out in the Company's financial reports, adjusted to remove the following items from the calculation of profit or loss attributable to ordinary shareholders in the year, in order to reflect the company's underlying profitability:</p> <ul style="list-style-type: none"><li>(a) amortisation of acquired intangibles;</li><li>(b) unwinding of interest on deferred acquisition consideration payments;</li><li>(c) adjustments to the assessment of deferred consideration payable; and</li><li>(d) acquisition costs.</li></ul> <p>The EPS target for the financial year ending 30 June 2023 is \$0.0046 per Share, which was determined by the Board at the beginning of the financial year and is as follows:</p> <ul style="list-style-type: none"><li>(a) a net profit before tax for the relevant financial year of \$2,409,000; and</li><li>(b) 523,749,464 Shares being on issue at 1 July 2022.</li></ul>												
1,342,857	<p>1,342,857 Performance Rights will be measured on the Company's EPS performance in the financial year ending 30 June 2024.</p> <p>As the EPS target can only be determined by the Board at the beginning of the relevant financial year, meaning that the relevant EPS target for these 1,342,857 Performance Rights will be determined by the Board in its discretion at the beginning of the financial year ending 30 June 2024, using the same methods of valuation which determined the EPS targets for the financial year ending 30 June 2023.</p>												



## **FY2023 Long Term Incentive Plan**

# FY2023 Long Term Incentive Plan

## Overview of the Plan

The Plan is an employee incentive scheme which has been established primarily in connection with the remuneration arrangements for the Company's senior management team, including the Company's Managing Director.

## Objective of the Plan

The FY2023 Long Term Incentive Plan ("FY23 LTI Plan") is structured to incentivise performance over the period from 1 July 2022 to 30 June 2024.

## Summary and Terms of the Plan

All Performance Rights granted to any participants under the Plan will be granted subject to the terms and conditions of the Plan.

A Performance Right is a right to acquire one fully paid ordinary share in the Company, subject to the satisfaction of certain performance criteria. Until a Performance Right vests, is exercised, and a Share is acquired in respect of that Performance Right, the holder (of that Performance Right):

- does not have a legal or beneficial interest in any Shares underlying that Performance Right; and
- is not entitled to receive dividends or other Shareholder benefits in respect of that Performance Right (or any underlying Shares that may result from the vesting and exercise of that Performance Right)

Performance Rights will be subject to performance criteria (Performance Criteria) which must be satisfied over a specified period of time (Performance Period) before the Performance Rights can vest.

When issuing an invitation under the Plan, the Board has discretion to determine the terms and conditions of a grant of Performance Rights to ensure that they are appropriate. The Board's discretion includes determining:

- whether the person is eligible to participate in the Plan (and inviting them to participate);
- the number of Performance Rights granted to the person;
- the applicable Performance Criteria and Performance Period(s);
- the exercise period; and
- any restrictions it deems appropriate in relation to the person's disposal or dealings in Shares (including as to the period of any restriction on disposal or dealing) issued upon exercise of the vested Performance Rights

## Participation

As part of the Company's strategy, the Board wishes to be in a position to Performance Rights under the Plan to senior management, or an approved nominee, to achieve the objectives outlined above.

## Transfers

The Plan does not allow the transfer of Performance Rights (whether vested or unvested)



### **No consideration payable**

No consideration is payable by a participant in respect of the grant of Performance Rights, nor is any amount payable by the participant upon the vesting or the exercise of Performance Rights, or the subsequent issue or transfer of Shares in respect of them

### **Common Rules**

The main features of the Plan which apply both to the issue of Performance Rights are as follows:

#### **1. Eligible Participants:**

All full-time employees and permanent part-time employees (including the Managing Director) of the Group whom the Board have determined are in a senior management role, are eligible participants under the Plan. Shareholder approval is required before any Director or related party of the Company can participate in the Plan;

#### **2. Limits on Entitlements:**

The maximum number of Performance Rights that is issuable under the Plan, when combined with the number of Shares issued during the previous five years pursuant to the Plan on exercise of the Performance Rights or any other employee incentive scheme of the Company but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (c) an offer made under a disclosure document,

must not exceed 5% of the total number of the Company's issued Shares.

In the event that the total number of Performance Rights issuable under the Plan exceeds 5% of the total number of the Company's issued Shares, in respect of a given Performance Period, the Board may elect to settle the Performance Rights by the payment of cash instead of through the issue or transfer of Shares.

#### **3. Individual Limits:**

The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

#### **4. Amendments to Plan:**

The Board may at any time and from time to time by resolution alter the Plan. However, any amendment to the Plan is subject to any restrictions or procedural requirements relating to the amendment or the rules of an employee incentive scheme imposed by the Listing Rules or applicable securities laws. Generally, amendments to the Plan will not affect the terms of Options or Performance Rights that have already been issued under the Plan unless the resolution specifically says otherwise.

#### **5. Disposal of Options or Performance Rights:**

Without the approval of the Board, no Performance Rights issued under the Plan may be transferred, be made the subject of an option or a third party right (such as a charge or security), or otherwise be dealt with or disposed of by the eligible participant. If an eligible participant contravenes this requirement of the Plan, the Performance Rights will lapse.

#### **6. Forfeiture:**

If an eligible participant acts fraudulently, dishonestly or has wilfully breached his or her obligations to the Company, the Board will have the discretion to determine that any Performance Rights granted to the eligible participant will lapse

#### **7. Suspension or Termination:**

The Board may suspend or terminate the Plan at any time, without notice, but the suspension or termination will not affect any Performance Rights already granted.

#### **8. Alteration in Share Capital:**

If there is a reorganisation of the share capital of the Company, including consolidation, subdivision, reduction or return of issued capital, the number of Shares, to which an eligible participant is entitled to receive upon the exercise of a Performance Right will be adjusted in the way specified by the Listing Rules from time to time.

#### **9. Bonus Issue:**

If there is a bonus issue of Shares to Shareholders, the number of shares, to which an eligible participant is entitled to receive upon the exercise of a Performance Right will be increased by the number of Shares which the eligible participant would have received if the Performance Right had been exercised before the record date for the bonus issue.

#### **10. No Participation Rights:**

There are no participation rights or entitlements inherent in the Performance Rights. An eligible participant will only be entitled to participate in new issues of capital offered to Shareholders to the extent that the Performance Rights have been exercised and the eligible participant has become a Shareholder.

#### **Rules for granting Performance Rights**

A Performance Right is a right to be issued a Share upon the satisfaction of certain performance conditions that are attached to the Performance Right, as determined by the Board. In accordance with the requirements of the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the issue of Performance Rights under the Plan.

The number of Performance Rights granted under the Plan and the conditions that must be satisfied in order for the Performance Rights to either be exercised or to vest, will be determined by the Board and expressed in a written invitation ("Performance Right Invitation") made by the Company to the eligible participant. Participation in the Plan is subject to acceptance of the Performance Right Invitation by the eligible participant (or their nominee) within a specified period. It is intended that the conditions imposed on the Performance Rights will relate either to the performance of the Company, the Group or the employee (or a combination of these).

The main features of the Plan (and the terms and conditions to be attached to the Plan) that are particular to the issue of Performance Rights are summarised as follows:

##### **1. Consideration Payable:**

It is intended that Performance Rights will be granted for no consideration, even though the Plan allows the Board to impose consideration on the grant of Performance Rights. The Performance Right Invitation will set out the amount of consideration payable, if any.

##### **2. Exercise of Performance Rights:**

An eligible participant will apply to the Board to exercise some or all of the Performance Rights by giving notice to the Board and producing the certificate for those Performance Rights.

##### **3. Vesting:**

Subject to the satisfaction of the conditions set out in the Performance Right Invitation, within 10 Business Days of the exercise of the Performance Rights, the Company shall issue Shares to the eligible participant (or, if applicable, their nominee) without further action being required on the part of the eligible participant.

#### 4. Term and Lapse:

The term of the Performance Rights is determined by the Board in its absolute discretion and will be specified in the Performance Right Invitation. Performance Rights are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if the eligible participant's employment is terminated for cause or in circumstances other than as described in the next paragraph.

#### 5. Retirement, Permanent Disablement, Redundancy or Death:

Under the Plan, within 30 days of the eligible participant ceasing to be a senior manager by reason of retirement, permanent disablement, redundancy or death, the eligible participant (or their nominee or legal representative as applicable) may exercise the Performance Rights. To the extent that the conditions set out in the Performance Right Invitation have been satisfied, the Performance Rights will vest. All remaining Performance Rights will lapse. However, the Board retains a discretion in these circumstances to waive the conditions for some or all of the Performance Rights or allow them to continue to be exercisable until the expiry date upon the satisfaction of the applicable conditions.

#### 6. Restriction on dealing with Shares:

All Shares issued to a participant under the Plan will be subject to the Company's Share Trading Policy. In addition, the Board has the discretion to impose further restrictions on Shares issued to a participant under the Plan in the Performance Right Invitation.

#### 7. Takeover Bid or Change of Control:

In the event of:

- (a) a Change of Control of the Company; or
  - (b) approval by the court of a merger of the Company by way of scheme of arrangement,
- an eligible participant may exercise all Performance Rights which have not yet vested, been exercised or lapsed and will vest notwithstanding the conditions set out in the Performance Right Invitation

### **Performance Conditions**

The Performance Conditions of the *FY23 LTI Plan* are assessed based on 50% of performance against TSR targets and 50% against EPS targets; being:

- the Total Shareholder Return ("TSR") achieved during the FY2023 and FY2024 periods as referenced to the Veris share price, and
- the Earnings Per Share (EPS) performance over a 2 year period from a Start Date of 1 July 2022 to Test Dates of 30 June 2023 and 30 June 2024 respectively.

### **Absolute TSR:**

TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the growth in a company's share price over the period as well as the dividends received during that period. The formula for calculating TSR is:

$$\frac{(\text{Share Price at Test Date} - \text{Share Price at Start Date}) + (\text{Dividends Received})}{\text{Share Price at Start Date}}$$

A Veris share price of 7.0 cents per share, being the Share Price of Veris shares on the ASX at 1 July 2021, will be used to determine Share Price at the Start Date ("**Starting Price**").

A Volume Weighted Average Share Price (**VWAP**) will be used to determine the Share Price at each Test Date, being 30 June 2023 and 30 June 2024. These will be based on the VWAPs over the one week period prior to each Test Date.

The KMP Performance Conditions will include:

- A threshold target of 12.5% per annum (compounded over the period from the Starting Price to the Test Date); and
- A stretch performance of 20% per annum (compounded over the period from the Starting Price to the Test Date)

The percentage of the KMP Incentive Consideration that are tested against TSR which vest will be determined as follows:

TSR performance over relevant Performance Period	Performance vesting outcomes
Less than 12.5% per annum compounded	0% vesting
12.5% per annum compounded	50% vesting
Between 12.5% and 20% per annum compounded	Pro-rata vesting between 50% and 100%
At or above 20% per annum compounded	100% vesting

As a consequence of the Starting Price at Start Date being 7.0 cents per Share and the target TSR performance shown above, the following share prices would trigger the TSR Performance at 30 June 2023:

FY23 LTI TSR thresholds at 30 June 2023:

<12.5%	=	< <b>9.37</b> cents per share
12.5%	=	50% vesting at <b>9.37</b> cents per share
12.5% - 20%	=	pro rata vesting between <b>9.37</b> cents per share to <b>10.66</b> cents per share
>20%	=	100% vesting at <b>10.66</b> cents per share or greater

Note: TSR target share prices shown above have been determined based on the assumption that no dividend is payable prior to the 30 June 2023 Test Date. Should a dividend be declared and paid prior to the 30 June 2023 Test Date, the TSR thresholds will be revised to incorporate any dividend payments.

FY23 LTI Plan TSR thresholds at 30 June 2024:

<12.5%	=	< <b>10.54</b> cents per share
12.5%	=	50% vesting at <b>10.54</b> cents per share
12.5% - 20%	=	pro rata vesting between <b>10.54</b> cents per share to <b>12.79</b> cents per share
>20%	=	100% vesting at <b>12.79</b> cents per share or greater

Note: TSR target share prices shown above have been determined based on the assumption that no dividend is payable prior to the 30 June 2024 Test Date. Should a dividend be declared and paid prior to the 30 June 2024 Test Date, the TSR thresholds will be revised to incorporate any dividend payments.

## **Earnings Per Share**

The Company's EPS performance will be measured in the 2023 and 2024 financial years.

EPS measures the portion of a company's profit allocated to each outstanding ordinary share and serves as an indicator of a company's profitability.

For the purposes of performance testing the Performance Rights, EPS in the 2023 and 2024 financial year will be the Basic EPS for the year, as prescribed by the accounting standards and set out in the Company's financial reports, adjusted to remove the following items from the calculation of profit or loss attributable to ordinary shareholders in the year, in order to reflect the company's underlying profitability:

- (a) amortisation of acquired intangibles;
- (b) unwinding of interest on deferred acquisition consideration payments;
- (c) adjustments to the assessment of deferred consideration payable; and
- (d) acquisition costs.

A Board Approved Budget Target will be used for the EPS targets. Participants will only receive Performance Rights that are tested against EPS if the EPS result achieves the Board Approved Budget.

## **FY23 EPS Target**

The EPS Target in FY23 is **0.46 cents per share (ie \$0.0046)** based on:

- the Board Approved Budget NPAT Target in FY23 of \$2.409 million and
- 523.749 million Veris shares on issue at 1 July 2022,

## **FY24 EPS Target**

The FY2024 EPS Budget Target 3 will be assessed at the time of preparing the FY2024 Board Approved Budget.

## ***Incentive Consideration***

The FY23 LTI Plan is to be settled via the issue of Performance Rights as follows:

### **FY23 Component:**

- 50% of LTI Incentive Performance Rights on FY23 TSR achievement as outlined above ie 1,342,857 Performance Rights
- 50% of LTI Incentive Performance Rights on FY23 EPS achievement as outlined above ie 1,342,857 Performance Rights

### **The FY24 Component:**

- 50% of LTI Incentive Performance Rights on FY24 TSR achievement as outlined above ie 1,342,857 Performance Rights
- 50% of LTI Incentive Performance Rights on FY24 EPS achievement as outlined above ie 1,342,857 Performance Rights

As a result, 5,371,428 Performance Rights will be issued to Dr Michael Shirley as Managing Director.

The issue of these Performance Rights will require shareholder approval at the 2022 AGM. Other KMP and Senior Executives may also be offered Performance Rights under the Company's proposed Employee Securities Incentive Plan, which the Company is seeking shareholder approval for at the 2022 AGM. These Performance Rights will contain milestones identical to those contained in this LTI Plan.



