

# ASX RELEASE

4 June 2018

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

## **Clarification of media reports – IBC directors will not financially benefit through vesting of LTIs**

Watpac Limited (**Watpac**) (**ASX: WTP**) refers to its proposed scheme of arrangement, under which its major shareholder BESIX Group SA (**BESIX**), will acquire 50% of the ordinary shares held by Watpac shareholders (other than BESIX and its associates), for a cash consideration of \$0.92 per share (**Scheme**).

Watpac wishes to clarify certain media reports in the Australian Financial Review, first published online on 1 June 2018 and included in today's paper edition and attributed to proxy adviser ISS, that the Watpac directors who have unanimously backed the deal would benefit financially as a result of the Scheme through the vesting of long-term incentive (**LTI**) awards. This is incorrect and misleading.

Watpac established an independent board committee (**IBC**) to consider BESIX's proposal and the proposed Scheme. The IBC is comprised of Ms Bronwyn Morris, Ms Linda Evans, Mr Garret Dixon and Mr Peter Watson as Chair. The IBC does not include the Watpac directors appointed by BESIX, being Mr Carlo Schreurs and Mr Rik Vandenberghe, and Mr Martin Monro is not a member of the IBC due to his role as an executive director of Watpac.

None of the Watpac directors on the IBC (nor the BESIX nominated directors on the Watpac board) participate in Watpac's LTI plan.

In light of this, it is incorrect and misleading to state (or otherwise imply) that the Watpac directors who unanimously recommended the Scheme benefit financially as a result of the Scheme through the vesting of LTI awards.

In relation to the treatment of LTIs in connection with the Scheme, subject to the Scheme becoming Effective, Watpac must:

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- accelerate the vesting of the full 50% total shareholder return component of the 2015 LTI scheme issue of performance rights (otherwise due for testing at 30 June 2018), without reference for testing, as at the Effective Date (currently proposed to be 15 June 2018); and
- procure that the 50% earnings per share component of the 2015 LTI scheme issue of performance rights will terminate at the same time that the 50% total shareholder return component vests (as described above).

Otherwise, Watpac must procure that no performance rights are vested and no new Watpac shares are issued or agreed to be issued under the performance rights as a result or consequence of the Scheme.

For completeness, it is noted that the treatment of LTI performance rights under the Scheme is detailed in full in clause 5 of the Scheme Implementation Agreement and outlined in section 8.2 of the Scheme Booklet.

### **Shareholder information**

If Watpac Shareholders have any questions about the Scheme Booklet or the Scheme of Arrangement, they should call the Watpac Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEST).

– ENDS –

For further information contact:

Investor Relations – Mark Baker, Chief Financial Officer on 07 3251 6442

Media – Amanda Campbell, Corporate Affairs Manager on 07 3251 6453

*Watpac is a leading national construction and mining contracting group with operations in all mainland States and Territories. Watpac has been listed on the Australian Securities Exchange since 1985 and have offices in Brisbane, Sydney, Melbourne, Adelaide, Perth, Townsville and Port Macquarie. More information is available at [www.watpac.com.au](http://www.watpac.com.au).*

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