Australian Shareholders' Association
Suite 31.08, Level 31
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Gearing up for another five laps

Company/ASX Code	Mader Group (MAD)
AGM time and date	9.00 am (AWST) on 31st October 2025
Location	Company office, Hkew Alpha Building, 2 George Wiencke Drive, Perth Airport.
Registry	Computershare
Type of meeting	AGM
Monitor	John Ferguson
Pre-AGM Meeting	With Mr Justin Nuich (CEO)

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

Mader is a corporate partner with the ASA.

1. How we intend to vote

No.	Resolution description	
1	Adoption of Remuneration Report	Against
2	Re-election of Director – Mr. Luke Mader	Undecided

2. Summary of Issues and Voting Intentions for AGM

- Board structure and governance
- Climate related issues and risk management
- AGM format

The Board is comprised of three executive directors and one NED (non-executive director) who is not considered independent. Company founder Luke Mader is the Executive Chairman. All four board members are male.

Climate related issues are not mentioned in the Annual Report. Unfortunately, this flies in the face of the thrust of the Climate-Related Financial Disclosures regime which calls on Boards for a sharper focus on the risk (and opportunities) to the business as a result of climate change.

The AGM is a physical meeting only at the company's offices in the Perth Airport precinct. The issue of a hybrid meeting was raised at the 2024 AGM and the arguments against it are of cost and the likely lack of shareholder interest. Given that there is a high percentage of small retail shareholders on the register (54% own <1000 shares) and many of these could be in remote localities (given the company's operations), the company has been urged to run a trial.

3. Matters Considered

Accounts and reports

The Mader Group had another great year with both revenue and NPAT up a healthy 13%. Debt has decreased dramatically from $31.2m to $8.3m (73% decrease). A full year dividend of 8.8cps was paid (a 13% annual increase) and the pay-out ratio stays at a modest 31%. It should be noted that 31% of its revenue comes from five key customers.

Management has successfully implemented a five-year business plan (which concludes at the end of the current financial year) and looks to be on track to chalk up $1B of annual revenue. The success comes from organic growth through diversification in the types of services offered (fixed maintenance), sectors covered (energy, marine) and geographies (North America, Africa).

Pivotal to the company's success is its workforce, and there have been a number of innovative investments to attract and retain staff. Comprehensive training programs and opportunities for long term career development have paid off. The company can now be viewed as an adept labour hire/ training enterprise, complementing a successful blue-collar mechanical services enterprise.

BDO provides an independent audit report for the company, and its total fees are $491,076, with no non-audit services provided. The sole key audit matter in the Annual Report was revenue recognition.

Financial performance

(As at FYE)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
NPAT ($m)	57.1	50.4	38.5	27.9	19.3	17.5
UPAT ($m)						
Share price ($)	6.73	6.29	5.70	2.66	0.85	0.78
Dividend (cents)	8.8	7.8	5.8	4.0	3.0	3.7
Simple TSR (%)	8.4	11.7	116.5	217.6	13.7	-
EPS (cents)	28.35	25.2	19.25	13.97	9.67	8.75
CEO total remuneration, actual ($m)	1.79	2.93	2.16	1.68	0.407	-

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year. It should be noted that the share price has increased significantly since the end of FY24 (~$8.30)

Governance and culture

The company has a people-first approach both to its customers and its workforce. For employees, there are initiatives like Global Pathways and the Three Gears Internal Adventures which help build a progressive work-place culture.

Governance from a non-independent Board with a non-independent chair is not ideal. This is starting to show through with its approach to risk management. There have been no financial disclosures about risks to the business from climate change nor any statements about emissions abatement from the company's operations.

The company's "Risk Management and Internal Compliance and Control" policy states: "The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management". One key strategy is benchmarking the company's performance against industry standards. Mr Nuich was questioned about this benchmarking, and he reports the company is a beneficiary from working on many projects often with other service providers and good intelligence is picked up. Management uses a dynamic matrix to identify and manage risk. One example given related to government changes to Industrial Relations laws.

Organic growth has been the main driver for the company's outstanding results. Given that debt is rapidly declining, there is talk about future growth through acquisitions. Prudent spending might be achieved by expanding the skill set of the Board by the appointment of independent NED/s to address opportunities. Mr Nuich declared that any potential acquisitions would be modest and would be used to get a foothold in very different service areas. The renewable energy area was mentioned.

One tangible risk relates to any of its big customers taking a rigorous approach to its Scope 3 emissions and reviews its service agreements with Mader. Since 31% of Mader's revenue comes from just five customers, any negative review from any of them could be a material risk to revenue. Independent voices on the Board may sharpen up the company's approach to risk management.

The Board can use external consultants to review its operation, and it can use member "self-assessments" when required. A number of essential skills for Board operations are listed. A meaningful skills matrix is not provided.

Gender equity is an issue, with women representation at the Board level and at senior management level standing at 9.5%. Significantly, there is no female representation on the Board. New in-house programs like Coordinator and Management Training and Express to Exec are opportunities to address these equity issues. Mr Nuich pointed out there is a heavy concentration of female managers just below the senior management cohort. To date the company has not set measurable gender diversity objectives.

Key events

Nil

Key board or senior management changes

Nil

Sustainability/ESG

Mader shows commendable interest in, and investment to meet its obligations in the social field. Significant investment has been made with its service fleet to address safety issues through the medium of strategies like fatigue management.

Climate-related issues receive very limited attention. The company has a fleet of 1850+ service vehicles which would leave a significant carbon footprint, but a rudimentary audit of carbon emissions is not declared. It is difficult for the company to abate the use of fossil fuels and the impracticalities of electric service vehicles operating in very remote locations were pointed out. Mader works very closely with some of its customers to help them to address their energy needs and abate carbon emissions.

Mr Nuich was asked if there were any vulnerabilities to the company's operations due to climate change. He took the question on notice.

Please see the above comments about Governance.

4. Rationale for Voting Intentions

Resolution 1: Adoption of Remuneration Report (against)

The ASA voted against the Report in 2024. Some changes have been made, the take home remuneration of Mr Nuich has declined significantly, and the company continues to perform exceptionally well. Despite this, the ASA will again vote against the Report on the basis that building a sustainable corporate culture (particularly in the field of environmental stewardship) has not been addressed and this is reflected in the absence of any performance criteria in current remuneration practises.

Resolution 2: Re-election of Director – Mr Luke Mader (undecided)

Mr Mader is the company founder and currently owns 51.84% of the company's shares. He is trade qualified and has had over 25 years of experience in the mining services industry. He is Board Chairman and a member of the Audit and Risk committee and also of the Nomination and Remuneration committee.

The ASA has concerns about the absence of independent NEDs on the Board and the slowness in addressing the situation, both of which are within Mr Mader's remit. As the current five-year business plan winds down and a new plan is formulated, he will be asked if the new plan will include a Board shake-up and if so, provide some indicative timeline. It makes sense to have the benefit of independent NED/s skills in the formulation of the new five-year operational plan. If there is no plan to restructure the Board, proxy votes will be voted against Mr Mader's re-election.

Appendix 1: Remuneration Framework Detail

Aggregate NED fees are set at $300,000pa. The only call on this pool is the $60,000 paid to Craig Burton, the sole NED on the board.

Executive Chairman and founder Luke Mader is paid a modest $2,000 per day worked. He is not a beneficiary of any incentive plan.

For key management personnel, variable remuneration: annual short term incentive plan (STIs) is on offer and involves a cash bonus. There are three components:

- A financial metric is used (50% of the award) and involves an annual growth rate and minimum NPAT threshold.
- A TRIFR- an injury-free target – (30% of the award) is set at <4.0 incidents per million hours worked.
- Labour retention (20% of the award) is assessed by turnover rate, and a target is set by the board at the start of the financial year.

Awards are made in cash and are capped at125% of fixed remuneration.

Variable Remuneration Strategic Plan: long term incentive plan (LTIs) can involve an equity award as well as cash. A five-year plan was adopted in FY 2021 with a focus on organic growth with two success milestones:

- NPAT >$40m in FY2024
- NPAT > $60m in FY 2026.

The business is on track to achieve the $60+m target, which would result in a considerable payout to three KMP, both in cash ($2.5m) and the awarding of shares (2.5m).

CEO's comparative package

Mader's remuneration package does not lend itself to the usual comparative table because target and maximum opportunity $ sums are not given. CEO Justin Nuich's final FY2024 remuneration (but not necessarily take-home pay) consisted of:

- Salary and fees: $848,124
- STI cash: $400,000
- Non-monetary: $60,089
- Superannuation: $32,712
- Strategic Plan Remuneration (LTI): equity valued at $445,802
- **Total $1.79m.**

47% of Mr Nuich's remuneration was performance related.

If the NPAT target of $60m is exceeded at the end of FY26, Mr Nuich will receive $1.5m in cash and 1.5m shares. If these shares were to be cashed in at current prices, Mr Nuich can expect bonus payments of ~$13.5m in FY27.