AUSTRALIAN SHAREHOLDERS' ASSOCIATION

# ALS Limited Voting Intentions Report 2026

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| **Company/ASX Code** | **ALS Limited/ALQ** |
| **AGM time and date** | **3.00pm on Tuesday, 28 July 2026** |
| **Location** | Rydges Fortitude Valley 601 Gregory Terrace Bowen Hills QLD 4006<br>https://meetings.lumiconnect.com/300-896-204-565 |
| **Registry** | Boardroom |
| **Type of meeting** | Hybrid |
| **Monitor** | Noel Ambler assisted by Susan Bailey and Neil Chumbley |
| **Pre-AGM Meeting** | Chair Nigel Garrard and Michael Williams (Investor Relations) |

**Monitor Shareholding:** The individuals involved in preparing this voting intention, or their associates, hold shares in ALS Limited.

## 1. How we intend to vote

| No. | Resolution description | |
|---|---|---|
| 2 | Remuneration report | Against |
| 3(i) | Election of Director Christy Boyce | Undecided |
| 3(ii) | Re-Election of Director Leslie Desjardins | For |
| 3(iii) | Re-Election of Director Peter Possemiers | For |
| 3(iv) | Re-Election of Director Nigel Garrard | For |
| 4 | Grant of 2026 Performance Rights to Malcolm Deane | Against |
| 5 | Prospective Termination Payments | Against |

## 2. Summary of Issues and Voting Intentions for AGM

- ALS reported its strongest financial result on record: statutory NPAT rose 24.4% to $318.7 million, underlying NPAT rose 25.8% to $381.2 million and simple annual TSR was about 37.8%.
- We intend to vote against the Remuneration Report. The 2025 voting intention made future support conditional on addressing concerns including low STI equity deferral, soft LTI outcomes and the three-year LTI period; most of those concerns remain. In addition, the quantum appears excessive, with the CEO remuneration high compared to ASX companies of similar market capitalisation.

- We intend to vote against the CEO performance-rights grant because the previous years concerns have not been addressed and maximum opportunity rises from 150% to 180% of fixed remuneration. The CEO remuneration appears high compared with other ASX companies with similar market capitalisation.
- We support the re-election of Leslie Desjardins, Peter Possemiers and Nigel Garrard. We are undecided on Christy Boyce pending advice on how her skills and experience will contribute to the Board. We are concerned that Nigel Garrard's combined listed, private-company and advisory chair/director workload appears excessive under ASA guidelines and intend to raise questions on his workload at the AGM.
- We oppose the prospective termination-payments resolution because it is open-ended, applies to current and future executives and future plan amendments, and has no disclosed maximum value or sunset.

## 3. Matters Considered

### Accounts and reports

ALS delivered a very strong FY2026 result. Revenue from continuing operations rose 10.7% to $3.32 billion, underlying EBIT rose 19.3% to $599.0 million, underlying NPAT rose 25.8% to $381.2 million and statutory NPAT rose 24.4% to $318.7 million. Cash conversion was 92% and leverage fell from 2.3 times to 1.5 times. The final dividend of 23.1 cents took the full-year dividend to 42.5 cents, partly franked to 30% (Annual Financial Statements, printed pp. 1 and 8–9).

**Financial performance**

| (As at FYE) | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| NPAT ($m) | 318.7 | 256.2 | 12.9 | 291.2 | 190.5 |
| UPAT ($m) | 381.2 | 303.0* | 316.5 | 324.4 | 264.2 |
| Share price ($) | 20.80 | 15.41 | 13.13 | 12.36 | 13.40 |
| Dividend (cents) | 42.5 | 38.6 | 39.2 | 39.7 | 32.8 |
| Simple TSR (%) | 37.8 | 20.3 | 9.4 | (4.8) | 41.8 |
| EPS (cents) | 63.3 | 52.8 | 2.7 | 60.2 | 39.5 |
| CEO total remuneration, actual ($m) | 2.957 | 2.617 | 2.347 | 3.769† | 3.976 |

Simple TSR is calculated by dividing the change in share price plus dividends paid during the year, excluding franking, by the share price at the start of the year. *FY2025 underlying NPAT was restated in the FY2026 report. †Part year. CEO remuneration is the company/ASA "actual" or received measure and is not the statutory accounting expense.

### Governance and culture

The Board comprises eight independent non-executive directors and the CEO, with an independent Chair. Four directors are women and four are men. Candidate attendance was complete for all meetings for which each was eligible. We remain disappointed that ALS does not publish a director-attributed skills matrix. The aggregate matrix makes it difficult for retail shareholders to test the Board's claimed capability and identify gaps. We also continue to seek notice and real-time retail access to analyst briefings.

### Key events

Strong free cash flow and the 2025 capital raising reduced leverage and increased financial flexibility. ASA's 2025 report nevertheless considered the $350 million placement and $22.5 million share purchase plan less equitable than a renounceable entitlement offer such as a PAITREO. During FY2026 the operational headquarters moved to Madrid, while the governance headquarters remained in Brisbane.

### Key board or senior management changes

Christy Boyce joined the Board on 1 September 2025 and Tonianne Dwyer retired on 30 July 2025. ALS now identifies only the CEO and CFO as executive KMP. The company also appointed a Chief Information and Digital Officer and a Global Head of Cyber Security and continued searches for senior Minerals and Environmental leadership roles.

### Sustainability/ESG

ALS reports against a sustainability strategy and net-zero roadmap. Safety indicators improved during FY2026, and safety, climate, digital capability, talent and succession were included within the strategic STI component. However, those strategic measures are grouped within a 50% STI block without individual weightings or sufficiently specific targets.

### ASA focus issues

EY received $3.516 million for audit services and $0.130 million for other assurance and sustainability services. ALS states that it generally does not use the external auditor for non-audit services, but does not disclose when EY commenced or when the audit was last competitively tendered. NEDs must build one year of net fees in shares within three years, which is broadly aligned with ASA policy; individual progress remains relevant to each election.

## 4. Rationale for Voting Intentions

### Resolution 2 Adoption of the Remuneration Report (against)

ALS' remuneration report is clear and the company's FY2026 performance was excellent. CEO remuneration received during the year was $2.957 million, while the FY2023 LTI vested at 72.1%: EPS produced no vesting, relative EBITDA margin and relative TSR vested fully, and ROCE vested partially. These sound metrics are important mitigating factors.

However, the company does not disclose the CEO's pay quartile or otherwise demonstrate that total potential remuneration is not excessive under ASA's July 2026 guideline. The comparator group (with individual mostly larger companies identified) is described as global listed competitors of ALS in the testing, inspection, and certification industry and the ASX100. The quantum appears high compared to ASX companies of similar market capitalisation. The CEO's FY2026 STI was $2.300 million, equal to 120% of fixed remuneration and 95% of maximum. Only 30% is deferred into equity for two years, below ASA's expectation that at least 50% of STI be equity locked for at least 12 months. Financial measures are exactly 50% of the STI rather than a majority, and the threshold, target and outperformance values are not disclosed in enough detail to test whether the result was demanding.

ASA supported the FY2025 report on balance on the basis that concerns including soft LTI outcomes, use of underlying measures, the three-year LTI period, and 30% STI equity deferral would be addressed. ROCE targets have been increased by one percentage point and vesting has moderated, but most of those concerns remain and the quantum appears to be high. We therefore intend to vote against the report. We would reconsider if ALS provided robust peer-quantum evidence and demonstrates that the hurdles are materially more demanding than recent outcomes.

**Resolution 3(i) Election of Christy Boyce as a Director (undecided)**

Ms Boyce is independent and brings more than 25 years of strategy and organisational advisory experience from Port Jackson Partners and McKinsey. She is also a director of JB Hi-Fi, BAI Communications Australia, EMM Consulting and The Hunger Project Australia, and chairs the SCEGGS Darlinghurst Trust. We do not currently assess this workload as excessive. She attended all eligible FY2026 Board and committee meetings.

Ms Boyce held no ALS shares at 31 March 2026, about seven months after appointment. ASA expects directors to make steady progress toward one year of fees in shares, generally around 20% each year. We will ask what specific skills-matrix gap her appointment filled, as her skills in finance and industry expertise appear to be already covered by other directors on the board. We are likely to support her election if ALS outlines the specific gap her skills and experience will bring to the board.

**Resolution 3(ii) Re-election of Leslie Desjardins as a Director (for)**

Ms Desjardins is independent and has extensive global CFO, finance, M&A, treasury, governance and enterprise-risk experience. She chairs the Audit and Risk Committee and is also an Ansell director and Audit Committee member. Her workload is reasonable, she attended all eligible meetings and her 14,100 ALS shares were worth about $293,000 at year end, above her FY2026 fees. We intend to support her re-election.

**Resolution 3(iii) Re-election of Peter Possemiers as a Director (for)**

Mr Possemiers is independent and brings nearly 40 years of directly relevant testing, inspection and certification experience, including senior global leadership at SGS. He chairs the People Committee, has no excessive external listed roles disclosed, attended all eligible meetings and held 17,522 ALS shares worth about $364,000 at year end, above his FY2026 fees. We intend to support his re-election.

**Resolution 3(iv) Re-election of Nigel Garrard as a Director (for)**

Mr Garrard has substantial ASX-listed CEO, manufacturing, capital-markets and international operating experience, has attended all eligible meetings and held 31,546 ALS shares worth about $656,000 at year end. We also acknowledge ALS' strong performance under his chairmanship.

He is Chair of both ALS and Ansell, a director of Treasury Wine Estates, Chair of Flinders Port Holdings and Chair of the McMahon Services advisory board. Under ASA's workload methodology, the two listed-company chair roles and one listed-company NED role already equal five board equivalents before the private and advisory chair roles are counted. We consider the combined workload at ASA's ceiling and will ask him at the AGM to provide a convincing time-commitment analysis or a credible role reduction.

**Resolution 4 Grant of 2026 Performance Rights to Malcolm Deane (against)**

Shareholders are asked to approve 123,270 performance rights with a face value of about $2.921 million, calculated using the 10-day post-results VWAP of $23.6930. The rights have no exercise price and are tested over three years against four equally weighted hurdles: underlying EPS growth, relative EBITDA margin, relative TSR against the ASX100 and ROCE. The metrics appear sound, comparator companies are named, and the ROCE range has been increased to 16.5%–21.5%. These are positive design features.

The maximum LTI opportunity nevertheless rises from 150% to 180% of fixed remuneration at the same time as CEO fixed remuneration rises 5% and relocation benefits of about €180,000 continue. ALS has not disclosed the CEO-pay benchmark or quartile supporting that increase. The performance period remains at ASA’s three-year minimum and historical LTI vesting has often been high. We intend to vote against. We would reconsider if ALS provided robust peer-quantum evidence and demonstrates that the hurdles are materially more demanding than recent outcomes.

**Resolution 5 Prospective Termination Payments (against)**

The resolution would permit unpaid STI and unvested LTI benefits to current and future managerial or executive officeholders after cessation. The plan generally lapses awards for bad leavers and allows good-leaver rights to remain on foot only in proportion to service and subject to the original performance conditions at normal vesting. Non-executive directors are excluded. These protections are appropriate.

However, the approval has no stated sunset or maximum value, applies to future executives and is intended to remain effective if the STI and LTI rules are amended. It seeks “maximum flexibility” for the Board and must be considered together with change-of-control terms that can allow up to 100% vesting and waiver of unmet conditions. We intend to vote against the open-ended authority. A time-limited approval confined to current plans, capped in value and requiring pro-rata service plus original performance testing would be more acceptable.

# Appendix 1

### Remuneration framework detail

| CEO remuneration framework for FY2026 | Target* $m | % of total | Maximum opportunity $m | % of total |
|---|---|---|---|---|
| Fixed remuneration | 1.924 | 28.6% | 1.924 | 25.0% |
| STI – Cash | 1.347 | 20.0% | 2.020 | 26.3% |
| STI – Equity | 0.577 | 8.6% | 0.866 | 11.3% |
| LTI | 2.886 | 42.9% | 2.886 | 37.5% |
| Total | 6.733 | 100.0% | 7.695 | 100.0% |

The table reflects the FY2026 framework: CEO STI threshold, target and maximum opportunities were 50%, 100% and 150% of fixed remuneration, with 70% paid in cash and 30% deferred into equity; LTI opportunity was 150%. For FY2027, the CEO LTI opportunity increases to 180% of fixed remuneration. Amounts are based on FY2026 TFR and allowances of $1.923867 million and are rounded. Target remuneration is the amount envisaged under the plan for target performance; deferred amounts remain subject to service or performance conditions.