

Argo at 80 – Dividends, Discipline and the Discount

Company/ASX Code	Argo Investments/ARG
AGM time and date	10:00am on Wednesday, 21 October 2026
Location	Adelaide Town Hall, 128 King William Street, Adelaide
Registry	Boardroom Pty Limited, Sydney
Type of meeting	Physical with webcast (no hybrid meeting facility)
Monitor	Greg O'Connell assisted by Tony Greco and Stephen Howie.
Pre-AGM Meeting	Yes, in Argo's Adelaide office with Chairman Peter Warne (by video from Sydney), Chief Operating Officer Timothy Binks (by video from Sydney) with ASA represented by Greg OConnell and Tony Greco. ASA's Stephen Howie was unable to attend and tendered his apologies.

Monitor Shareholding: Some individuals (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2	That the Remuneration Report for the financial year ended 30 June 2026 be adopted.	For
3	That Mr. Peter Warne, a Director who will retire by rotation at the end of the Meeting in accordance with clause 60 of the Company's Constitution, being eligible, be re-elected as Director of the Company.	For
4	That Ms Melissa Holzberger, a Director who will retire by rotation at the end of the Meeting in accordance with clause 60 of the Company's Constitution, being eligible, be re-elected as Director of the Company	For
5	That the proportional takeover provisions in clause 25 of the Company's Constitution be renewed for a period of three years commencing on and from the day this resolution is passed.	For

2. Summary of Issues and Voting Intentions for AGM

Argo has several initiatives and achievements deserving acknowledgement including celebration of 80 years of operation; clear communication of their investment objective of maximising long-term shareholder returns through reliable fully franked dividend income, and capital growth; monthly performance reporting, inclusive of costs and measured as both total shareholder return (TSR) and net-tangible-asset (NTA) based returns compared to the S&P/ASX 200 Accumulation Index. Argo's annual communications meetings are conducted in Australian cities and LIC/ETF investment comparison information has been developed. Argo has announced to the ASX a change from half-yearly to quarterly dividend payments.

We endorse Argo's clear performance reporting and shareholder engagement. We encourage Argo to refine further their LIC investment value proposition over 10-year periods relative to investing in competing low-cost ETFs. Argo already has much of this explanatory material available in its description of how it generates and manages fully franked dividend at yields above the broader market and with lower volatility.

ASA does intend to vote for the Remuneration Report.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

(As at FYE)	2026	2025	2024	2023	2022	2021	2020
Total Assets (\$b)	8.2b	8.0b	7.4b	6.9b	6.4b	6.6b	5.3b
NPAT (\$m)	260	260	253	272	313	174	199.5
UPAT (\$m)	260	260	253	272	313	174	199.5
Share price (\$)	9.29	9.15	8.64	8.76	8.80	8.93	7.19
Dividend (cents)	38.5	37.0	34.5	34.5	33	28	30
Simple TSR (%)*	5.7%	10.2%	2.6%	3.5%	2.24%	28.1%	-7.76%
EPS (cents)	34.3	34.1	33.3	36.1	42.7	24.1	27.8
CEO total remuneration, actual (\$m)	1.45	1.85	1.34	1.24	1.35	1.03	1.23

*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.

Remuneration Incentives

Included in the Argo Annual Report at page 25, the *Letter from the Chair of the Remuneration Committee* summarises FY26 Remuneration matters. There were no changes to the Remuneration Framework.

The report describes short term incentives (STI) awards reflecting:

- Argo's Total Portfolio Return (TPR) outperformed the S&P/ASX200 Accumulation Index over 1 year resulting in full STI award for this component
- Argo's EPS growth outperformed 1 of 2 peer groups leading to a partial award of the EPS component of STI

The report describes long term incentives (LTI) awards reflecting:

- Argo's Total Portfolio Return (TPR) over the past 4 years underperformed the Index with no award of that component of LTI.
- Argo's EPS growth over the past 4 years outperformed peers so partial award was made for that component.
- Argo's TSR over the past 10 years underperformed the Index so no award was made for that component.

Argo provides a clear summary of previous 5 years STI awards at page 35 of the Annual Report.

Argo provides a clear summary of previous 5 years LTI awards at page 37 of the Annual Report.

Separately from the Rem report, Argo's reported NTA return, after costs and adjusted for tax paid, exceeded the S&P/ASX200 Accumulation Index over one, three and five years.

Argo repurchased and cancelled 8.59 million shares during FY2026 at a cost of approximately \$76.0 million. Because the purchases were made below NTA, the buyback was accretive to NTA per remaining share. ASA supports disciplined buybacks at material discounts however we encourage Argo to disclose the average discount achieved and estimated per-share accretion.

Argo's focus on higher dividend-paying holdings makes it challenging for performance to meet (or exceed) the S&P/ASX 200 Accumulation Index. Argo's 1-, 3-and 5-year NTA based returns (post costs, pre-tax paid) (Annual Report page 4) exceeded benchmark returns.

Despite recent portfolio outperformance, Argo's ten-year annualised shareholder return of 6.3% trails the S&P/ASX 200 Accumulation Index return of 9.4%, reflecting both portfolio performance and movements in the share price discount to NTA. ASA encourages Argo to continue demonstrating how its dividend strategy, capital management and buybacks can translate into stronger long-term shareholder returns.

ASA supports Argo's Remuneration Framework, which includes outperformance against the benchmark as an objective, while recognising that achieving long-term outperformance may remain challenging.

Director elections/re-elections & key board/senior management changes

Director Tenure projected to AGM date follows:

Board Member	Appointed	Years served by 21 October 2026	Years to reach 9	Independent
Peter Warne	1 November 2022	3.97	5.0	Yes
Elizabeth Lewin (retiring 21 October 2026)	1 July 2018	8.31	0.7	Yes
Lianne Buck	1 July 2022	4.31	4.7	Yes
Melissa Holzberger	30 August 2023	3.15	5.9	Yes
Symon Parish	3 October 2025	1.05	8.0	Yes
Jason Beddow	3 February 2014	12.72		No

Argo has multiple directors who are well within the 12-year term. This is one of the factors ASA considers in assessing their independence.

The board has many independent directors.

On 24 September 2026, Argo announced the planned retirement of Director Elizabeth Lewin retiring 21 October 2026.

By ASA calculations the workload of Chair Peter Warne is very high however he works full time; and several of his directorships are for smaller companies; three of them (Argo, Argo Listed Infrastructure and Argo Services Company are Argo related) suggesting less than the raw position count might suggest. Mr Warne's attendance record shows full attendances, and Argo advises annual director performance review has identified no availability concerns. On balance, ASA considers the present workload to be manageable but will continue to monitor it.

By ASA calculations the workload of Director Lianne Buck is somewhat high however several of her appointments involve not-for-profit(s) and unlisted companies where the role complexity and workload may be less than for large and publicly listed companies. ASA will continue to monitor this.

[Argo's gender diversity target](#) has been updated from the 2025 version – they are substantively identical. Argo's requirement is for a minimum of one-third of each gender while ASA's diversity target is for 40% of each gender. Argo meets its own target and also meets ASA's target.

Skills matrix

As ASA commented in FY2023, FY2024 and FY2025, Argo provides aggregated director skills in a skills table rather than "per director" skills in a skills matrix. The table can be viewed on page 7 [here](#). Aggregated information can make it challenging for shareholders to determine Board skills needs; assess level of contribution of individual directors and determine whether any director offers unique skills.

When last compared, Argo's director skills matrix followed AICD guideline examples.

In our pre-AGM meeting we have ascertained there are internal guidelines for calibrating assessment levels to support consistency between directors and assessment periods. This eliminates one potential source of variation in score between financial years.

We do plan to vote for re-election of directors Warne and Holzberger who are standing for re-election.

Shareholder engagement

Argo is celebrating 80 years of operation, and we note this significant achievement.

Argo's investment objective of maximising long-term shareholder returns through reliable fully franked dividend income, and capital growth is very clearly communicated in recent annual reports.

Argo's performance reporting is a positive example of transparent and shareholder-oriented reporting. Performance ranging from 1 to 10 years, inclusive of costs and measured as both total shareholder return (TSR) and NTA based returns compared to the S&P/ASX 200 Accumulation Index is updated monthly on Argo's website.

Argo's historic STI and LTI Rem awards are clearly summarised in the annual report for the prior 5 years.

Argo has announced change of dividend payments from half yearly to quarterly.

Shareholder information material clarifying differences for shareholders in investing via LICs and ETFs has been produced.

Argo communication meetings are expanded from 2024, conducting annual roadshow around major Australian cities. Argo advised approximately 300 attendees at a recent Sydney information meeting, "more than the last AGM".

At Argo's 2025 AGM 8.25% of issued shares were voted in the Rem Report motion following Argo's 2024 AGM where 7.2% of issued shares were voted. The low level of votes at AGMs appears as a common factor in several companies dominated by retail shareholders and it is encouraging to see Argo engaging shareholders in other ways.

Governance and culture

Argo publishes a Corporate Governance Statement on their website, which you can read [here](#).

This 2026 Corporate Governance Policy has been updated from 2025 with:

- Express confirmation that the Board oversees climate-related risks and broader ESG requirements
- ESG risk governance strengthened, raising from investment-process discussion to Board responsibility
- New Sustainability/Climate category added to Board Skills matrix documenting significant Board experience.
- Board Skills matrix is updated, showing fewer directors reporting in several categories and showing three industry sectors now having no director experience (compared to 2025)

ASA's preference for hybrid AGMs, where shareholders can participate remotely, was discussed again with Argo. Argo reported that its two COVID-era hybrid meetings attracted minimal online participation, despite significant additional cost, and that no questions were asked by shareholders participating online. While ASA continues to strongly support hybrid AGMs, Argo's experience has led it to conclude that there is limited demand for this format among its shareholders.

Argo's Auditor selection and rotation meet legislative requirements. We have suggested to Argo it would be beneficial to shareholders for Argo to collate that information and include it in the annual report.

Key events

Excluding one-off, non-cash income, Argo's underlying profit and EPS increased marginally, while total fully franked dividends increased to a record high level of 38.5 cps.

Argo offered Dividend Reinvestment Plans (DRP) and Dividend Substitution Share Plans (DSSP) for both dividend payments this financial year.

Argo's one year investment performance (Annual Report page 4) , measured as NTA return after deducting management expenses, adjusted to add back tax paid, was +8.7% compared to the S&P/ASX200 Accumulation Index return of +6.1%.

The management expense ratio (MER) was 0.14%, 0.15% and 0.15% for the 3 recent financial years.

Total shareholders dropped from 95,600 in FY2023 to 93,000 in FY2024, 88,968 in FY2025 and 85,000 in FY2026.

Sustainability/ESG

As an investment company with a small direct operational footprint, Argo's principal ESG impacts arise through its investment and voting activities. Argo has an ESG webpage [here](#).

ESG issues are considered an inherent part of the investment process and influence voting decisions for companies in the Argo portfolio.

As noted earlier, Argo's 2026 approach to ESG is strengthened to identify the Board expressly oversees climate-related risks and broader ESG requirements; and ESG risk governance is strengthened, raising from investment-process discussion to Board responsibility.

ESG Assurance costs are identified in the Annual report at page 73 at \$58,344 while consultancy costs for developmental activities are additional. ESG assurance requirements are expected to increase in the coming year, likely driving an increase to audit costs.

4. Rationale for Voting Intentions

Resolution 1 - Financial and other Reports

No vote required

Resolution 2 - Adoption of Remuneration Report

ASA supports the Remuneration Report. The framework measures both shorter-term delivery and long-term shareholder outcomes, and no awards were made for the four-year portfolio-return and ten-year shareholder-return components that failed their hurdles. Although Argo's longer-term benchmark-relative performance remains a concern, the FY2026 outcomes demonstrate that the relevant performance conditions operated as intended. ASA will continue to monitor the appropriateness of the EPS peer groups, the balance between dividend objectives and capital growth, and the alignment between realised remuneration and long-term shareholder returns.

Resolution 3 - Re-Election of Director Mr Peter Warne

Mr Peter Warne is an experienced director with extensive knowledge of the financial services and investment banking sectors. In his recent tenure as Chair of the Board (from 1 January 2025), he has overseen several shareholder-focussed initiatives in areas of investment objectives, shareholder communication, shareholder engagement and changes of dividend payments from twice yearly to quarterly. He owns 40,000 Argo shares and we endorse his re-election.

Resolution 4 - Re-Election of Director Ms Melissa Holzberger

With skills in energy & resources, international trade, logistics, infrastructure, technology and agribusiness; and having served one three-year term, we plan to vote for her re-election as an independent director.

Resolution 5 - Renewal of Proportional Takeover provisions

ASA supports renewal because the provisions allow shareholders collectively to determine whether a proportional takeover bid should proceed. This reduces the risk that shareholders feel pressured to accept a partial offer to avoid being left with a less liquid minority holding. The provisions do not prevent a full takeover bid.

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Appendix 1

Remuneration detail FY2026

CEO Remuneration Framework	Maximum Opportunity \$m	% of Total
Fixed Remuneration	0.865	35.7%
STI – Cash	0.346	14.3%
STI – Equity	0.346	14.3%
LTI Tranche-1	0.346	14.3%
LTI Tranche-2	0.346	14.3%
LTI Tranche-3	0.173	7.1%
Total	2.422	100.0%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

These figures are a summary only, refer to the Annual report for the full and detailed information.