

Codan delivers exceptional results, shareholders enjoy higher dividends

Company/ASX Code	Codan Limited/CDA
AGM time and date	11.00am (ACDT) Tuesday, 20 October 2026
Location	The Courtside Room, The Drive, War Memorial Drive, North Adelaide. SA 5006
Registry	Computershare Investor Services
Type of meeting	Hybrid
Monitor	Tony Greco, assisted by Greg O'Connell and Stephen Howie
Pre-AGM Meeting	Yes, in Codan's Adelaide office, with Heith Mackay-Cruise (Chair People & Remuneration Committee) and Kayi Li (CFO)

Monitor Shareholding: Individuals involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Adoption of the Remuneration Report	For
2	Re-election of Director - Mr Graeme Barclay	For
3	Re-election of Director - Mr Heith Mackay-Cruise	For
4	Approval of the grant of Performance Rights to Mr Alfonzo Ianniello - STI	For
5	Approval of the grant of Performance Rights to Mr Alfonzo Ianniello - LTI	For
6	Remuneration of Non-Executive Directors	For

2. Summary of Issues and Voting Intentions for AGM

- This year has seen an extraordinarily good financial performance.
- Both the Communications and Metal Detection segments had sizeable increases in revenue and profit.
- Shareholders get to enjoy significantly higher dividends.
- In September 2026, S&P Dow Jones Indices announced the addition of Codan to the ASX 100 Index.
- ASA has not identified any major issues and we plan to vote in support of all motions.

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

3. Matters Considered

Accounts and reports

An extraordinarily good result for FY26, with Group revenue of \$875.0m (up 30% on FY25), and net profit after tax of \$175.2m (up 69% on FY25), with a corresponding increase in dividends paid.

Segment revenue for Communications and Metal Detection business units increased by 22% and 42% respectively. Profit margins also increased significantly.

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT (\$m)	175.2	103.5	81.3	65.5	100.5
UPAT (\$m)	175.2	103.5	81.3	65.5	100.5
Share price (\$)	44.14	20.11	12.03	8.03	6.96
Dividend (cents)	48.5	28.5	22.5	18.0	28.0
Simple TSR (%)	122	69	53	18	-60
EPS (cents)	95.9	56.8	45.0	36.5	55.6
CEO total remuneration, actual (\$m)	4.53	2.17	1.49	1.07	1.82

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.

Governance and culture

The Board comprises an Independent Chair, three Independent Directors and the Chief Executive Officer. The Chair and one other Director have been on the Board since 2015. The Board expects some board renewal during FY2027.

All Directors meet ASA shareholding guidelines. Director workload is within ASA guidelines.

The Board size appears small in comparison to other companies of similar market capitalisation. Resolution 6 is to increase the remuneration of Non-Executive Directors. This will support strategic planning and provide flexibility to: increase Board size, allow for succession planning for long standing Directors, and expand Board skills.

A Board Skills Matrix is provided in the Corporate Governance Statement, which is available online. ASA proposed providing the skills matrix in future Annual Reports and presenting skills on a per-Director basis. Codan is taking this under consideration. Codan supplements the Board's knowledge in areas such as defence, through access to experienced outside directors, who have deep defence capabilities.

Codan is regularly rotating their appointed audit partner from KPMG, which was appointed in 2001. ASA guidelines are that audit firms should also be changed periodically, with competitive tender for audit services at 10 years. Codan expects to undertake a competitive tender in 2027, and vote on any result at the 2027 AGM. ASA will monitor this and look for the refreshed information for audit organisation and audit partner.

Key events

In May 2026, Codan announced the acquisition of Adaptive Dynamics, a US-based engineering company specialising in the development of anti-jamming and interference mitigation technologies critical to the resilience of tactical communications.

Codan's September 2026 trading update points to continued exceptional growth, with H1 FY27 NPAT expected to be at least \$160 million, compared with \$71 million in the prior corresponding period. Much of the growth is being driven by demand for communications equipment in conflict regions. While this is commercially positive, Codan acknowledged the limited visibility of demand beyond the next three months.

Key board or senior management changes

Michael Barton (CFO and Joint Company Secretary) resigned from 31 August 2026. The CFO role has been taken over by Kayi Li, who has been in the Deputy CFO role for several years.

Sustainability/ESG

Codan's Annual Report includes approximately 60 pages of comprehensive ESG reporting, covering environmental performance, employees, communities, corporate governance and responsible business practices. This includes its first mandatory climate-related Sustainability Report under AASB S2, addressing climate risks, emissions and governance, with limited independent assurance over specified disclosures. ASA welcomes the breadth and transparency of this reporting

4. Rationale for Voting Intentions

Resolution 1 - Adoption of the Remuneration Report (For)

Codan's Remuneration Framework and Structure are well documented in the Remuneration Report, with the stated objective to attract, retain and motivate high calibre executive leaders to deliver superior returns for shareholders. In particular, remuneration is intended to retain the executive team that has been responsible for the exceptional performance and growth that has been experienced over the past few years.

Fixed remuneration for the CEO had been unchanged at \$1,071,616 since January 2022. From 1 July 2025 fixed remuneration was increased to \$1,375,000. This has been further reviewed with input from external consultants, and from 1 July 2026 has been increased to \$1,800,000. This level is consistent with fixed remuneration for peer group ASX listed companies (with the CEO domiciled in Australia), of similar market capitalisation, and has been explained as a result of benchmarking, good company performance, and the need to retain its CEO.

The Remuneration Report details the Short-Term Incentive (STI) whereby the maximum opportunity for the CEO was 125% of Fixed Remuneration of which 60% must be taken in the form of Performance Rights. Maximum metrics were achieved such that the incentive of \$1,718,750 is payable. For 2027, the maximum opportunity for the CEO will be 150% of Fixed Rem.

The annual STI is determined against financial and non-financial targets, and rights vest immediately upon grant, subject to subsequent shareholding restrictions. ASA supports the alignment with shareholders, noting the absence of additional performance conditions after grant.

The Long-Term Incentive (LTI) is measured over a 3-year period, which ties in with the company's 3-year strategic planning process. This is shorter than the ASA guidelines which suggest measurement over a 4-year period. However, shares granted under the LTI are subject to a 2-year holding lock, which extends the restriction period to 5 years.

The forward-looking Rem Framework puts incentives in place for further long-term growth and ties that to sustained long-term growth.

Resolution 2 - Re-election of Director - Mr Graeme Barclay (For)

Mr Graeme Barclay has been a Codan Director since 2015 and Chair from February 2023. Mr Barclay will address the AGM, prior to the vote on the resolution. Given Mr Barclay's

experience and tenure during Codan's period of successful growth, we support his re-election.

Resolution 3 - Re-election of Director - Mr Heith Mackay-Cruise (For)

Mr Heith Mackay-Cruise was appointed to the Codan Board in March 2023. Mr Mackay-Cruise will address the AGM, prior to the vote on the resolution. Mr Mackay-Cruise is an experienced company director, and since joining the Board, Codan has enjoyed a period of significant growth. We support his re-election.

Resolution 4 - Approval of the grant of Performance Rights to Mr Alfonso Ianniello - STI (For)

Approval is being sought to issue up to 54,752 Performance Rights to Mr Alfonso Ianniello. The STI is determined against financial and non-financial performance targets. The equity component is subject to subsequent shareholding restrictions, with no additional performance conditions after grant. We support this resolution.

Resolution 5 - Approval of the grant of Performance Rights to Mr Alfonso Ianniello - LTI (For)

Approval is being sought to issue 63,878 Performance Rights to Mr Alfonso Ianniello. The rights are subject to performance hurdles which are set out in the Notice of Annual General Meeting. Vesting will only occur if Codan meets or exceeds the EPS growth and relative total shareholder return targets over the next 3 years. We support this resolution.

Resolution 6 - Remuneration of Non-Executive Directors (For)

Approval is being sought to increase the maximum amount of remuneration payable to Non-Executive Directors to \$1,800,000, a 50% increase. This increase will provide flexibility to: increase Board size, allow for succession planning and expand Board skills. We support this resolution.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY27	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	\$1.80	36.4%	\$1.80	23.5%
STI - Cash	\$0.72	14.5%	\$1.08	14.1%
STI - Equity	\$1.08	21.8%	\$1.62	21.2%
LTI	\$1.35	27.3%	\$3.15	41.2%
Total	\$4.95	100.0%	\$7.65	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.