AUSTRALIAN SHAREHOLDERS' ASSOCIATION

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Accountability for the Heraghty affair returns as ASIC sues the former CEO

Company/ASX Code	**Super Retail Group Limited / SUL**
AGM time and date	**10:00am (Brisbane time), Thursday 29 October 2026**
Location	Hybrid: Super Retail Group offices, Level 2, 6 Coulthards Avenue, Strathpine QLD 4500, and online at meetings.openbriefing.com/SUL26
Registry	MUFG Corporate Markets (AU) Limited
Type of meeting	Hybrid, with online written and oral questions and live online voting
Monitor	David Midwood, assisted by Paul Donohue
Pre-AGM Meeting	No pre-AGM meeting was held this year. In 2025 the monitors met Chair Judith Swales, Board Human Resources and Remuneration Committee Chair Peter Everingham and GM Investor Relations Mark Christensen.

Monitor Shareholding: The 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	**Vote**
2	Adoption of the Remuneration Report	For
3.1	Re-election of Ms Annabelle Chaplain AM as a Director	Against
3.2	Re-election of Mr Mark O'Hare as a Director	Against
4.1	Approval of FY2026 performance rights to Group MD and CEO, Mr Paul Bradshaw	For
4.2	Approval of FY2027 performance rights to Group MD and CEO, Mr Paul Bradshaw	For

2. Summary of Issues and Voting Intentions for AGM

Super Retail Group's FY2026 was dominated by the fallout from the September 2025 termination of CEO Anthony Heraghty and the transition to new CEO Paul Bradshaw. In September 2026 ASIC began civil proceedings against Mr Heraghty. It alleges he failed to manage a conflict of interest arising from an undisclosed relationship with a senior

executive, and that information given to the Board and the market was misleading. The allegations have not been tested in court, and the company is reported to have said ASIC will not take action against the Board.

- **Board accountability.** ASA voted against the re-election of Chair Judith Swales in 2025. Ms Chaplain and Mr O'Hare, both up for re-election, sat on the committees that oversaw this matter while the Board backed the former CEO and litigated against the whistleblowers. The Board has still not explained to shareholders why its oversight failed. ASA intends to vote against both directors.
- **Remuneration.** ASA's central 2025 concern has been resolved: the former CEO's FY2025 bonus was reversed and all his unvested equity lapsed. ASA intends to vote for the remuneration report. We note the bonus gateway was cleared only by excluding $28.6 million of regulatory and litigation costs.
- **CEO equity grants.** ASA supports both grants to Mr Bradshaw, but questions why the return on capital hurdle in the FY2027 grant has been eased while actual return on capital has fallen three years running.

ASA would reconsider the director votes if the Board gives shareholders a full and frank account at the AGM of how its oversight failed and what has changed as a result.

See ASA Voting guidelines and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT ($m)	205.9	221.8	240.1	263.0	241.2
UPAT ($m)	225.9	232.4	242.1	273.5	244.1
Share price ($)	13.12	14.06	13.95	11.43	8.49
Dividend (cents)	65.0	96.0	119.0	103.0	70.0
Simple TSR (%)	0.1	9.3	30.9	43.7	-28.1
EPS (cents)	91.2	98.2	106.3	116.5	106.8
CEO total remuneration, actual ($m)	1.88	3.32	4.11	3.93	3.80

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.

UPAT is normalised NPAT as reported in the segment note of each Annual Report. EPS is statutory basic EPS. Dividends are those declared for each year. CEO total remuneration

is the statutory total, consistent with prior ASA reports; FY2026 is Mr Bradshaw, CEO from 1 November 2025.

Governance and culture

The Board has eight directors, six of them independent, with an independent Chair, and four of the eight are women. Mr O'Hare is a nominee of founding substantial shareholder Reg Rowe and is not independent. On 21 September 2026 ASIC sued Mr Heraghty, alleging breaches of his duty of care and diligence and the provision of misleading information. ASIC alleges he kept supervising the executive he had a relationship with, took part in decisions on her pay, incentives and redundancy, and sat in Board and committee discussions of the complaints against him. The FY2026 Annual Report gives no account of what the Board itself has learned from the affair.

Key events

The Board terminated Mr Heraghty on 15 September 2025, after he gave it new information showing his earlier disclosures about the relationship were not satisfactory. This followed two years in which the Board supported him and the company litigated against two whistleblowers. That claim was settled in September 2025 for less than the range flagged in the company's 2024 litigation warning. The Sydney Morning Herald reported on 26 October 2026 that ASIC will not pursue the Board, and that the company is advancing Mr Heraghty's legal costs, which he must repay if the case goes against him. CFO David Burns was interim CEO until Paul Bradshaw, MD of BCF since 2019, became Group MD and CEO on 1 November 2025. A new five-year strategy was launched at an Investor Day open to retail investors.

Key board or senior management changes

All four brand Managing Directors were refreshed during the year. CFO David Burns retired, and Sarah Hunter became CFO from 29 August 2026. From 1 September 2026 the Board Audit Committee and the Board Risk and Sustainability Committee were merged into a single Board Audit, Risk and Sustainability Committee, chaired by Ms Chaplain.

Sustainability/ESG

The workplace injury frequency rate improved 9.9% to 10.9, and the company kept its WGEA Employer of Choice for Gender Equality citation. Climate-related financial disclosures are included in the Annual Report. We found no disclosure of political donations.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

The Board skills matrix gives only a count of directors against each skill, not a director-by-director assessment. On the positive side, the AGM is genuinely hybrid, with online attendees able to ask written and oral questions and vote live.

4. Rationale for Voting Intentions

Item 2 Adoption of the Remuneration Report (For)

ASA voted against the FY2025 report because the former CEO's disputed bonus had not been withheld. That concern has been addressed: the FY2025 bonus accrual of $620,760 was reversed, all his unvested and unexercised rights lapsed, and he received no termination payment.

Mr Bradshaw's pay structure meets ASA's major guidelines. About 70% of target pay is at risk, half his bonus is deferred into shares over two years, and he holds well above the minimum shareholding. He received 34.8% of his maximum bonus, and his pay is not excessive against comparators.

Against this, the $304.8 million bonus gateway was cleared by only $1.4 million, and only because $28.6 million of regulatory and litigation costs were excluded. On statutory profit before tax of $277.6 million, no bonus would have been payable. Shareholders bore those costs but executives did not. Other executives also defer only 30% of their bonus into shares, against the CEO's 50%. ASA intends to ask whether the Board plans to recover any of these costs from Mr Heraghty if ASIC's case succeeds.

On balance, ASA intends to vote for the report.

Item 3.1 Re-election of Ms Annabelle Chaplain AM as a Director (Against)

Ms Chaplain was appointed in 2020 and is independent. She has full attendance and holds shares worth about twice her base fee. She has chaired the Board Risk and Sustainability Committee since September 2023, and was on the Audit and Risk Committee before that. Her committee received the company's whistleblower reporting through the period in which the Board backed Mr Heraghty and the company litigated against the whistleblowers. She now chairs the merged Audit, Risk and Sustainability Committee.

ASIC's case is that Mr Heraghty misled the Board. But it also alleges he sat in Board and committee discussions of the complaints against him, which is a basic failure of conflict management. There is little evidence the Board revisited its support for him as the dispute escalated. ASA voted against the Chair last year on this issue. The Board has given no public account of why its oversight failed, and the director who led the risk committee through this period should be accountable for it. ASA intends to vote against.

Item 3.2 Re-election of Mr Mark O'Hare as a Director (Against)

Mr O'Hare joined the Board in 2023 as a nominee of founding shareholder Reg Rowe and is not independent. He has full attendance and a large personal shareholding. He was on the Audit and Risk Committee and then the Audit Committee from 2023, and has been on the Board Human Resources and Remuneration Committee since May 2024.

At last year's AGM the remuneration committee had not withheld the former CEO's FY2025 bonus, which is why ASA voted against the 2025 report. ASIC alleges the former CEO took part in decisions on the pay, incentives and redundancy of the executive he had a relationship with, matters that executive remuneration oversight should have picked up. ASA also prefers remuneration committees to be fully independent. For these reasons, ASA intends to vote against.

Item 4.1 Approval of FY2026 performance rights to Group MD and CEO, Mr Paul Bradshaw (For)

This grant of 67,236 rights, with a face value of $1.25 million, is pro-rated across Mr Bradshaw's time as MD of BCF and as CEO. Approval is sought now because his appointment came too late for the 2025 AGM. The number of rights was set using the $18.60 five-day VWAP after the FY2025 results, well above the $13.12 share price at the end of FY2026. Half vests on return on capital (15% to 18%) and half on EPS ($3.13 to $3.56), over three and four years, with no retesting and clawback in place. Shares are expected to be bought on market, so there is no dilution. ASA intends to vote for.

Item 4.2 Approval of FY2027 performance rights to Group MD and CEO, Mr Paul Bradshaw (For)

This grant of 120,210 rights has a face value of $1.6 million at a $13.31 VWAP, with the same structure as the FY2026 grant. The EPS hurdles are unchanged even though the performance period starts a year later. The return on capital hurdle has been eased: 30% of that half now vests at 15% (3.3% for the FY2026 grant), and full vesting needs 17% instead of 18%. At the FY2026 return on capital of 16.7%, this lifts vesting on that half from roughly 57% to 90% for flat performance, at a time when return on capital has fallen three years running. ASA intends to vote for, but also intends to ask the Board to explain why the hurdle was eased.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FY2026	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.200	30%	1.200	26%
STI - Cash	0.600	15%	0.900	20%
STI - Equity	0.600	15%	0.900	20%
LTI	1.600	40%	1.600	35%
Total	4.000	100.0%	4.600	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 framework set a maximum opportunity amount, but not all.