

Sigma Healthcare Voting Intentions Report 2026

Company/ASX Code	Sigma Healthcare Ltd/SIG
AGM time and date	2pm Wednesday, 21 October 2026
Location	Auditorium, Centrepiece at Melbourne Park, Level 3, 100 Olympic Boulevard, Melbourne,
Registry	MUFG
Type of meeting	Hybrid
Monitor	Mike Robey
Pre-AGM Meeting	Yes with Chair, Michael Sammells, Board member Annette Carey and Investor relations Manager Gary Woodford

Monitor Shareholding: The individual (or their associates) involved in the preparation of this voting intention has no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Adoption of the Remuneration Report	For
2	Re-election of Mr Michael Sammells	For
3	Re-election of Mr Mario Verrocchi	For
4	Re-election of Mr Damien Gance	For
5	Grant of rights to Managing Director and Chief Executive Officer of Sigma under the Company's 2026 Long Term Incentive Plan	For
6	Grant of performance shares to Managing Director and Chief Executive Officer of Sigma under the Company's Short Term Incentive Equity Deferral Plan	For
7	Potential retirement benefits to Managing Director and Chief Executive Officer of Sigma	
8	Grant of rights to the Chief Executive Officer – Retail under the Company's 2026 Long Term Incentive Plan	For
9	Potential retirement benefits to the Chief Executive Officer – Retail	For
10	Grant of rights to the Chief People Officer of Sigma under the Company's 2026 Long Term Incentive Plan	For
11	Potential retirement benefits to the Chief People Officer of Sigma	For

2. Summary of Issues and Voting Intentions for AGM/EGM

- Sigma does not have a majority of independent directors (4 of 9)
- Sigma has three executive directors on the board, which makes separation of the Executive and Board difficult. Given that two are founders/associates with large shareholdings, it also makes the CEO job of performance management very difficult.
- Two of the founders/associates of founders are in key executive roles of the company as well as sitting on the board. Mr D Gance, also a board member and large shareholder was a fourth executive Director but unlike his colleagues Mr Verrocchi and Ms Di Pilla, he stepped down from his executive role in September 2025.
- Mr Verrocchi, the appointed CEO Retail, is a founder who oversaw the considerable expansion and growth of the Chemist warehouse group from a single pharmacy. He holds about 2.6 billion shares (valued at around \$6.9B).
- Ms Di Pilla is the sister of David Di Pilla of HMC capital which orchestrated the merger of Chemist Warehouse with Sigma. She was in a similar role as Chief People Officer of the Chemist Warehouse Group and holds about \$200m in shares.
- In the 2025 financial year these two received only cash payment, with no STI or LTI at-risk components for their executive roles but this AGM proposes to treat them as any other executive by adding in the additional STI and LTI incentive for the Year 2026 to 2029. Their existing very large shareholdings strongly incentivise them to work in favour of shareholders, so they do not need additional payment in performance shares for the purposes of alignment with retail shareholders. If however, the performance hurdles are challenging and future focussed, such as opening profitable growth in new markets, then there is a case for the inclusion of these new benefits.

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

3. Matters Considered

Accounts and reports

Chemist Warehouse merged with Sigma to become Sigma Healthcare in Feb 2025

Financial performance

(As at FYE)	2026	2025*
NPAT (\$m)	708.65	525.46
UPAT (\$m)	709.18	529.91
Share price (\$)	2.75	2.99
Dividend (cents)	40	13
Simple TSR (%)	-8.0%	na
EPS (cents)	7	6
CEO total remuneration, statutory (\$m)	2.743	3.073

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. * due to the merger of Sigma Pharma and Chemist Warehouse in 2025, the data in 2025 are a combination of the results from both businesses.

Governance and culture

Sigma is still dealing with the merging of two opposite types of companies, namely the entrepreneurial retail Chemist Warehouse chain of stores and the logistics specialist Sigma Pharma. This commenced with issues of different pay and performance cultures in the two organisations, but the claim is that good progress is being made. We suggested that proof would be found in the staff engagement scores of the former two groups, even when integrated into new business units. Sigma apparently conduct two engagement surveys annually, but do not publish the results.

Key events

Sigma pulled out of a possible acquisition of the Boots group in the UK, which had spooked the domestic market (too large a target, and performance in the UK lacklustre).

They signed an MOU to acquire 75% of a smaller pharmacy chain in the UK (about 1.2% of the market) called Greenlight, to serve as their landing point for a UK entry. Sigma will provide the Chemist Warehouse branding, store layout, ranging, warehousing strategy etc and Greenlight will provide the professional services and back-office support.

Sigma also announced they will exit physical retail in China but retain an online presence.

They stated that the Irish business of 18 stores reached profitability for the first time in FY2026 and have expansion plans for a greater footprint.

Their NZ operations now count 75 stores with plans to enlarge in the near future to 100 for which they have secured a dedicated distribution centre to service.

Key board or senior management changes

Mr D Gance, stepped down from an Executive role in Strategy and Business development, which he held concurrently with a board position. He was replaced by Mark Conway, who was the CFO of the pre-merger Sigma Pharma and who was heavily involved in the merger.

Richard Murray replaced the CFO Mark Davis who stepped down for “personal commercial reasons”. Richard was CEO of JB HiFi for over 20 years before being poached by Solomon Lew for Premier Investments, which didn’t last a full two years. He has extensive retail experience from the JBH days, in particular business development and M&A.

Sustainability/ESG

Sigma publishes a brief sustainability report annually which is free of targets and populated by data which is largely required under regulation. It publishes responses to the standards in the GRI questionnaire (Global Reporting Initiative), which is the largest voluntary global reporting system for ESG. It is early days for the new organisation, and they have published climate related matters under the AASB S2 standard in this Annual Report, but this report serves as a baseline for future target setting and more granular reporting.

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

1. Director’s skill matrix. Sigma publishes a self-assessed table of skills which is quite high level. It seems refreshingly fairly evaluated, since unlike some companies, not all directors are deemed to possess advanced levels in nearly all skills but could be improved with more granularity on individual director skills. We were advised that the CW board, pre-merger comprised all pharmacists, so we expect that board renewal should embrace the broader proven skills in new market entry, M&A and the like.
2. There have been no capital raisings, and therefore no potential for shareholder dilution, if the wrong model is used.

4. Rationale for Voting Intentions

Resolution 1 Adoption of the remuneration report (For)

The remuneration is a conventional Fixed plus STI plus 3-year LTI model, and the details are provided in the appendix. It will remain unchanged in FY27.

The fixed component for the CEO was substantially increased in the year, from \$1.6m to \$2.0m, but the business has grown substantially, with the amount benchmarked against peer companies.

The Chairman’s salary has also increased substantially in FY27 from \$550k to \$650k to account for the increased workload and growth of the company.

STI is paid 50% in cash and 50% in shares, split over two years. The measures for STI are group EBIT (70%), improving core operations (10%), health and safety (10%) and synergies (10%).

LTI is for a three-year performance period, with two measures, rTSR against the ASX100, and EPS growth. Threshold for rTSR is the 50th percentile, for which 50% is paid, rising to 100% for above the 75th percentile. For the EPS growth the threshold is 7.5% CAGR, for which 50% is paid and the maximum is paid for 15% CAGR and above.

The ASA finds this to be both conventional and easily understood as well as fair, so will support the resolution.

Resolution 2 - Re-election of Mr Michael Sammells (For)

Mr Sammells has led the board since 2022 through the merger to this point and has been an effective Chairman for that time. He has no other directorships and has sufficient shareholding to satisfy ASA guidelines. He does not sit on any other boards. We support his re-election.

Resolution 3 - Re-election of Mr Mario Verrocchi (For)

Mr Verrocchi is one of the founders of Chemist Warehouse, with a massive holding of shares (over 2.5b) and has proven himself in the successful expansion of the CW franchise and the integration with Sigma Pharma. He does not sit on other boards but is also on the senior executive of Sigma where he is titled CEO Retail. We support his re-election

Resolution 4 - Re-election of Mr Damien Gance (For)

Mr Gance is the son of the other founding partner for CW, namely Jack Gance and was the pharmacy-trained franchisee of the first CW pharmacy in 2000. He has more than enough modern pharmacy expertise to bring to the board. We support his re-election

Resolution 5 - Grant of rights to Managing Director and Chief Executive Officer of Sigma under the Company's 2026 Long Term Incentive Plan (For)

These are in line with the remuneration plan structure, as outlined in appendix 1 below, so we support this resolution.

Resolution 6 - Grant of performance shares to Managing Director and Chief Executive Officer of Sigma under the Company's Short Term Incentive Equity Deferral Plan (For)

These are aligned with the remuneration structure in appendix 1 below, so we support this resolution.

Resolution 7 - Potential retirement benefits to Managing Director and Chief Executive Officer of Sigma (For)

This resolution covers off the payment of legal remuneration fairly due in the event of the CEO departing the company. His employment agreement and shareholder approved issue of performance rights or STIs, and LTIs in-play are covered by this resolution, so we support it.

Resolution 8 - Grant of rights to the Chief Executive Officer – Retail under the Company's 2026 Long Term Incentive Plan (For)

This permits the payment of an LTI to the CEO Retail to the quantum stated in the annual report, namely a maximum of 90% of his fixed remuneration of \$1.032m. Whilst we question the need for more shares when you are the largest single shareholder in Sigma, if Mr Verrocchi is doing a KMP role then he deserves comparable compensation to other KMPs. We therefore support this resolution this year, but expect that sooner rather than later he should step down from the Executive role as Mr Damien Gance has done.

Resolution 9 - Potential retirement benefits to the Chief Executive Officer – Retail (For)

As for the CEO we support this resolution.

Resolution 10 - Grant of rights to the Chief People Officer of Sigma under the Company's 2026 Long Term Incentive Plan (For)

This follows the same logic as the resolution for the CEO retail, with the exception that Ms Di Pilla has a maximum opportunity here of 60% of her fixed remuneration of \$699K. We would also expect Ms Di Pilla, who controls a substantial number of franchises, as well as sitting on the board, to step down as Mr Damien Gance has done and pass the HR baton to a suitable new candidate.

Resolution 11 - Potential retirement benefits to the Chief People Officer of Sigma (For)

As for the prior resolutions for potential retirement benefits, we support this.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.

Appendix 1

Remuneration framework detail

CEO rem. Framework for FY26	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.6	28.6%	1.6	25.0%
STI - Cash	0.8	14.3%	1.2	18.8%
STI – Equity (split over 2 years)	0.8	14.3%	1.2	18.8%
LTI	2.4	42.8%	2.4	37.4%
Total	5.6	100.0%	6.4	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.