AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Equity funded acquisitions drive growth

Company/ASX Code	**Tasmea Limited (TEA)**
AGM time and date	**1:00pm (AWST) Wednesday, 18 November 2026**
Location	Anzac Club, 28 St Georges Tce, Perth
Registry	MUFG Corporate
Type of meeting	Physical
Monitor	John Ferguson
Pre-AGM Meeting	No

Monitor Shareholding: The individual 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 Remuneration Report	Against
2	Election of Glenn Davis as a Director	For
3	Election of Greg Columbus as a Director	For
4	Re-election of Joe Totaro as a Director	For
5	Re-election of Kristie Young as a Director	For
6	Approval of Grant Performance Rights to Trent Northover under ASX listing Rule 10.14	Against
7	Resolution 7: Ratification of shares issued for the WorkPac Group acquisition	For
8	Resolution 8: Ratification of shares issued for the Maxim Group acquisition	For
9	Resolution 9: Ratification of shares issued for the JPS Group acquisition	For
10	Approval of Financial Assistance – Maxim Group Acquisition	For
11	Approval of Financial Assistance – JPS Group Acquisition	For
12	Election of Stephen Mayne as a Director	For

See ASA Voting guidelines and Investment Glossary for definitions.

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

- Board structure and governance.
- Remuneration

- Capital raising

The Board is not independent and is currently comprised of four executive directors and three independent NEDs, one of these being the sole female representative on the Board. No Board skills matrix is provided.

The Remuneration Report lists five pay components, including an option incentive plan. ASA is concerned about the option-based remuneration arrangements. In November 2024, Jason Pryde was granted three million options with an exercise price of $1.56, compared with a share price of $3.15 at grant. This substantial discount, together with the leveraged nature of options, raises questions about whether the incentive arrangements are appropriately aligned with shareholder interests.

Tasmea has made several acquisitions with part of the payments being in shares. An extra 41.24 m shares (an increase of 19%) have been issued since its ASX debut. A capital raising was carried out in September 2025. No share purchase plan was offered to retail investors.

2. Matters Considered

Tasmea listed on the ASX in April 2024 and has had a meteoric rise helped by an ambitious acquisition strategy which has been well received by investors. Its origins go back to 1999 when it was a private equity investment vehicle, under the name of E&A (Equity and Advisory). It has previously been listed on the ASX.

The company is a diversified engineering services group providing essential maintenance services. Its operational model is described as a decentralized conglomerate-like structure. The operating core is a stable of 28 interdependent companies spanning five segments: Electrical, Mechanical, Civil. Workforce Solutions and Water and Fluids using an owner-operator model.

Accounts and reports

FY26 was a very good year for Tasmea, with the following stand-outs:

- Statutory revenue: $1,293.3m (up 136% on FY25)
- Statutory EBIT: $115.3m (up 55%)
- Statutory EPS: 27.8c (up19.8%)
- Free cash flow generated: $59.0m.
- Dividends were 24.5 cps with a Dividend Reinvestment Plan at a 5% discount.

Since the 2024 listing, a 38% EPS Compounding Annual Growth Rate (CAGR) is reported.

Group revenue exposure is 48% Mining and 29% Data Centre and infrastructure, with WA being the biggest contributor at 40%. Single customer exposure, from a mining company, is a significant 23%.

The electrification of the Australian economy has provided momentum for the company's prospects underpinned by a 38.3% revenue lift for the year by the Electrical segment.

Organic growth is tipped to be 10%-15% for the year. Bullish forward guidance for FY27 has been provided.

The acquisition of Workpac in December 2025 was given as the reason for a deterioration in group gross margin from 29.2% (FY25) to 19.4% (FY26). There was also a drop in Return on Equity (ROE) from 39.5% (FY 25) to 32.0% (FY26).

Borrowings are listed as $105.6m of term loans at a weighted average interest rate of 6.21%. Net debt stands at $59.6m.

The accounts were audited by Adelaide-based Mr David Sanders from Ernst &Young. Audit fees were $1.024m and $15,750 was paid for other work. Key audit matters were:

- Recognition of revenue
- Business combinations
- Impairment assessment of goodwill (the goodwill balance for FY26 stood at $226.8m).

Financial performance

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**
NPAT ($m)	71.3	53.1	30.5	19.5	13.6
Underlying NPATA (net profit after tax before amortisation of acquired intangible assets) ($m)	73.7	51.7	35.8	19.5	13.6
Share price ($)	9.49	3.70			
Dividend (cents)	24.5	23.0	6.5	3.5	2.5
Simple TSR (%)	163				
EPS (cents)	27.8	23.2	15.2	10.0	7.0
CEO total remuneration	$850,000	$850,000			

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

Two company founders are significant shareholders and are on the Board: Mr Stephen Young (Managing Director) with a 38.8% holding and Mr Mark Vartuli (CEO) with a 16.92% holding. Two other executive officers are on the Board, both listed as Chief Operating Officers: Mr Jason Pryde and Mr Trent Northover.

Mr Michael Terlet is listed as independent by the company, taking up duties in 2007. There is no evidence of his actual independence being considered. Mr.Terlet chairs both the

Board's Audit and Risk committee as well as the Nomination and Remuneration committee. He will step down from the Board at the conclusion of the AGM.

If Glenn Davis and Greg Columbus are elected, and Michael Terlet retires as planned, the Board will still lack a majority of independent directors, despite the renewal process. If Stephen Mayne is also elected and classified as independent, the Board would move to five independent non-executives and four executives.

A Board skills matrix has not been provided to investors. There is concern about the comment in the company's Sustainability Report: "The Board and Audit and Risk Committee do not currently have a documented process for assessing the climate-related skills and competencies available to it, or for identifying and developing skills and competencies it may need" (Annual Financial Report p121).

The company culture seems to be built around autonomy for its stable of 28 subsidiary companies,14 of which are still led by founders.

Key events

The following acquisitions have been made during the reporting period and subsequent period:

- Vertex July 2025 (providing exposure to high voltage capability and portable power and pumping solutions).
- Workpac Dec 2025 (provided access to a skilled labour supply) for $62m.
- Maxim Group July 2026 (an electrical contractor with exposure to data centres, government infrastructure and battery storage) for <$283m.
- JPS Group August 2026 (exposure to LNG and energy sector) for <$78m.

The Workpac acquisition was significant because it provided a skilled labour supply at "speed and scale" to feed growth in other subsidiary companies. It contributed $616.9 million in revenue over seven months, equivalent to approximately 48% of Group revenue. However, WorkPac reported a statutory after-tax loss of $0.3 million over that period. Its lower-margin workforce services business also contributed to the reduction in Group gross margin from 29.2% to 19.4%.

Key board or senior management changes

After a "structured renewal process" and reference to the Board's skills matrix, two new independent NEDs will be nominated for a vote at the upcoming AGM. Another has nominated, but has not been endorsed by the Board.

Sustainability/ESG

A mandatory and subject to independent limited assurance over selected sustainability information report was produced to address climate-related issues for the company.

The Board oversees its statutory compliance obligations but does not give itself a leadership role in the reduction of GHG (green-house gas) emissions, instead delegating

that to its subsidiaries. It also declares a lack of capability in the general area of climate change and its impacts.

Climate-related opportunities for the company were listed as: the renewable energy build-out, critical minerals processing and adaptations needed in the water and fluids part of the economy.

Tasmea disclosed Scope 1 emissions of 12,909.5 tCO_2e and Scope 2 emissions of 1,010 tCO_2e. Processed gas used in its workshops and fabrication facilities accounted for 52% of Scope 1 emissions. Mitigation efforts will be directed at targeted energy efficiency and renewable electricity investments over the medium term. Heavy plant diesel accounted for 26% of Scope 1 emissions. No mitigation strategy was canvassed.

There were “no formally adopted Group-level climate-related targets”.

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

Retail investors were excluded for a capital raising during the year. This will be raised at the AGM, alongside the AGM being only a physical presence type meeting.

4. Rationale for Voting Intentions

Resolution 1 - Adoption of Remuneration Report (Against)

There are numerous issues with the Report. Our concerns are around the complexity of the executive remuneration arrangements, particularly the use of options with substantial leveraged benefits. Although Jason Pryde's options were granted in FY2025, they contributed a significant non-cash expense to FY2026 remuneration. We are concerned about the limited disclosure of measurable performance targets for other executive incentives and the considerable discretion retained by the Board. These fall short of ASA's remuneration expectations.

Resolution 2 - Election of Glenn Davis as a Director (For)

Mr Davis is an experienced ASX-listed company chair, currently chairing Elders (ELD) and iTech Minerals (ITM). For 40 years he has been a legal practitioner in areas covering corporate, commercial and risk management matters. His independence and experience would be an asset to the Board. He declares he will have sufficient time to meet his responsibilities

Resolution 3 - Election of Greg Columbus as a Director (For)

Mr Columbus is an experienced company director with over 35 years of experience in the energy, electrical infrastructure and oil & gas sectors. He is company chair of ASX-listed companies: D3 Energy (D3E) and Pilot Energy (PGY). His independence and experience in the clean energy sector would be an asset to the Board particularly with climate-related issues. He declares he will have sufficient time to meet his responsibilities.

Resolution 4 - Re-election of Joe Totaro as a Director (For)

Mr Totaro has been the independent NED chairing the company since 2023. He has had 40 years of experience as a Certified Practising Accountant with a focus on the mining and

mining services sector. He is a member of the company's Audit and Risk committee. He is a founder and a current NED of ASX-listed GR Engineering Services (GNG).

Resolution 5 - Re-election of Kristie Young as a Director (For)

Ms Young joined the Board in 2023 as an independent NED and is a member of the company's Nomination and Remuneration committee. She is a technical mining engineer and has had over 25 years of experience in the resources sector in the areas of business development and growth.

Resolution 6 - Approval of Grant of Performance Rights to Trent Northover under ASX listing Rule 10.14 (Against)

The Board adopted the Plan on 8 October 2026 for Mr Northover to be granted 3.25m performance rights. Rights will be released in equal annual instalments (650,000 per year) with immediate vesting after each year's audited results are available. Performance measures are: the Group's consolidated EBITA for the financial year and organic growth in pre-existing businesses. Each tranche requires consolidated Group EBITA of at least $200m for FY27, $300m for FY28, $400m for FY29, $500m for FY30 and $600m for FY31. Organic EBITA from businesses owned at 1 July 2026 must also grow by at least 10% annually.

Catch up vesting will be allowed. The Board also gives itself discretion to waive vesting conditions in a way that is no less favourable to the participant. Further, all unvested rights may vest immediately on a change-of-control event, even if the financial performance conditions have not been satisfied and there is no additional holding restriction on the shares issued after vesting, other than the general securities trading policy.

The total indicative value of the Plan is given as $26.07m using fair value. In contrast a value of $34.12m is derived by using face value (using the $10.50 share price on the adopted date). The current Plan replaces a plan proposed in the company's FY26 results presentation, which entailed awarding Mr Northover 4.5m options. The ASA will vote against the resolution mainly because of the outsized incentive on offer, annual vesting, potential accelerated vesting, the $26.1 million indicative grant-date fair value and the significant broad Board discretion.

Resolution 7 - Ratification of shares issued for the WorkPac Group acquisition (For)

The acquisition is a logical acquisition to address ongoing recruitment and workforce service needs across all of the Group's subsidiary companies. It should be noted that 5m fully paid ordinary shares were issued as part of the payment.

Resolution 8 - Ratification of shares issued for the Maxim Group acquisition (For)

The acquisition expands the scope of services being offered by Tasmea's Electrical segment. It should be noted that 12m fully paid ordinary shares formed part of the transaction. The price tag was significant at $283m. The FY26 Annual Report provisionally recognises $211.5 million of goodwill arising from the Maxim acquisition, subject to finalisation of the purchase-price allocation.

Resolution 9 - Ratification of shares issued for the JPS Group acquisition (For)

The integrated service provider will now form part of Tasmea's Mechanical segment. As part of the purchase 3.01m fully paid ordinary shares were issued.

Resolution 10 - Approval of Financial Assistance – Maxim Group acquisition (For)

Resolution 11 - Approval of Financial Assistance – JPS Group Acquisition (For)

Resolutions 10 and 11 seek approval for the acquired Maxim and JPS companies to provide guarantees and security over their assets under Tasmea's Group banking facilities. These arrangements support the financing of the acquisitions and are consistent with the Group's existing financing structure. ASA supports both resolutions, recognising that the arrangements create obligations for the acquired companies but are intended to maintain access to the Group's financing facilities.

Resolution 12 - Election of Stephen Mayne as a Director (For)

Mr Mayne is a business journalist and retail shareholder advocate. His knowledge of the corporate governance standards expected of ASX-listed companies and the way they engage with retail shareholders would be of benefit to the Board. The Board's capabilities with regards to climate-related issues as explained in the company's Sustainability Report, is a prime example of the need for an independent voice to challenge the Board.

The Board has not endorsed his candidature citing a structured renewal process and the Board's skill matrix. Details of the process and the matrix have not been shared with retail investors.

ASA supports the election of Stephen Mayne, who brings extensive experience in corporate governance, shareholder rights and holding listed company boards to account. Tasmea's Board currently has four executive directors and three independent non-executive directors. Even with the proposed Board changes, independent directors will not be in the majority. Mr Mayne's appointment would help address this imbalance and bring a stronger retail shareholder perspective to Board discussions. His governance experience would complement the skills of existing directors, particularly as Tasmea continues its acquisition-led growth strategy and addresses concerns about executive remuneration, Board skills disclosure and climate-related governance. Although the Board has not endorsed his nomination, ASA believes Mr Mayne could make a valuable contribution to Board accountability, transparency and shareholder engagement. We therefore support his election.

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Appendix 1
Remuneration framework detail

The fee pool for the Board's three NEDs is $750,000.

The remuneration package for executives has five components:

- Fixed salary
- Cash bonuses (performance based STIs).
- Employee Incentive Plan (EIP/LTI- an equity based long-term equity plan based on performance rights vesting over three years).
- Option Incentive Plan (OIP)
- Employee Share ownership Plan (ESOP)

The package is unconventional and difficult to understand. For example, no EIP/LTIs awards were made in the year, nor was there any reference to them, but the company's Employee Share Trust lists 2,081,022 shares forecast to satisfy LTI obligations.

Mr. Young and Mr. Vartuli are eligible for an annual $300,000 cash bonus based on group performance and achievement of personal KPIs. The bonus can be taken in the form of company shares. Neither elected to take up their entitlements this year. Mr. Pryde and Mr. Northover are also eligible for the $300,000 bonus but on (unspecified) outperformance metrics.

With regards the EIP/LTI, Mr.Northover was eligible as was Ms. Thompson (CFO and company secretary). No awards were made this year and no detail has been provided.

STIs and EIP/LTIs are awarded at the Board's discretion and performance is evaluated against key metrics like: revenue, EBIT, NPAT, EPS, DPS and share price. There is no evidence of target setting, an essential part of incentive schemes.

The OIP was offered to Mr. Pryde – a 3m package of options progressively vesting over three years with progressive EBIT targets for the Group and Tasman Electrics. The exercise price for the options is $1.56. The share price on the day of the offer was $3.15, so the exercise price represents a ~50% discount compared to the ASA's preferred market value calculation. His OIP contributed to a reported annual remuneration of $4.576m (not actual take-home pay) for Mr. Pryde.

ESOP is available to ~8,000 staff by application. If successful the employee receives $1,000 worth of shares and can participate in future allocations. The number of shares is calculated using market value and will vest after three years. The accounts show 472 applicants were successful in their FY26 application and this represents 6% of the ~8,000 workforce.

The use of financial targets like EBIT or EBITA does not provide the best alignment with shareholder interests, given the company's ambitious acquisition strategy underpinned by equity payments. Shares on issue have increased ~19% since the company's ASX listing in 2024 and the company's goodwill account is a

Key Audit Matter. Financial measurements like EPS or ROE would be better to reflect shareholder value.

Remuneration framework table

CEO rem. Framework for FY26 (Mark Vartuli, CEO)	FY26 A$
Fixed Remuneration	850,000
STI - max annual cash opportunity	300,000
STI - received	0.00
LTI - grant	0.00
Stat rem reported	850,000

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