AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Time to get the house in order

Company/ASX Code	**Mader Group (MAD)**
AGM time and date	**9.00 am (AWST) Tuesday, 24 November 2026**
Location	1 Sleat Rd, Applecross
Registry	Computershare
Type of meeting	Physical
Monitor	John Ferguson
Pre-AGM Meeting	Yes, with CEO Justin Nuich

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	Re-election of Director – Mr Patrick Conway	Against
3	Adoption of Equity Incentive Plan	For
4	Approval to issue Director Performance Rights to Director – Mr Justin Nuich	For
5	Approval of potential Termination Benefits	Against

2. Summary of Issues and Voting Intentions for AGM

- Board structure and governance
- Capital management
- Sustainability Report

The Board is not independent and company founder Mr Luke Mader, with a 50.97% holding, is Executive Chair. Other Board members are two executive directors and one non-independent NED who is about to retire. All four board members are male. No board skills matrix is provided. Any AGM Resolution supporting Board discretion will be seriously scrutinised.

There are mixed signals about capital management. No dividends were declared during the year. The assumption for this was the preservation of capital for funding growth opportunities. However, on 7th September 2026, an ASX announcement was made about an on-market share buy-back, to the tune of $30m as a capital allocation strategy.

The Sustainability Report was prepared under the Climate-Related Financial Disclosures regime. Whilst the company deserves top marks for its commitment to the well-being of its

staff, its commitment to reducing its greenhouse gas emissions is negligible. The heavy reliance on diesel for its fleet of 2000+ vehicles is problematic as well as the diesel motor being pivotal to the company's fortunes.

3. Matters Considered

Accounts and reports

The Mader Group had another great year with both revenue and NPAT up a healthy 15% and meeting company targets. There has been a dramatic shift with debt. FY25 net debt of $8.3m has been transformed into a net cash position of $35.7m. Return on Equity is a healthy 27% (but down from 36% in FY24). No dividends were paid in FY26, suggesting a war-chest is being established for future growth initiatives.

Management has successfully closed out a five-year business plan. The success comes from organic growth through diversification in the types of services offered (fixed maintenance), sectors covered (energy, marine) and geographies (North America, Africa).

Pivotal to the company's success is its workforce, and there have been a number of innovative investments to attract and retain staff. Comprehensive training programs and opportunities for long term career development have paid off. The company can now be viewed as a sophisticated labour hire/ training enterprise, complementing a successful blue-collar mechanical services enterprise. Its success has led to WA Business Awards: Employer of the Year (third time) and Business of the Year.

BDO provides an independent audit report for the company and its total fees are $553,105, with $2,022 of non-audit services provided. The sole key audit matter in the Annual Report was revenue recognition.

Financial performance

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**
NPAT ($m)	65.4	57.1	50.4	38.5	27.9	19.3
UPAT ($m)						
Share price ($)	7.92	6.73	6.29	5.70	2.66	0.85
Dividend (cents)	0	8.8	7.8	5.8	4.0	3.0
Simple TSR (%)	17.6	8.4	11.7	116.5	217.6	13.7
EPS (cents) diluted	30.70	28.35	25.2	19.25	13.97	9.67
CEO total remuneration, actual ($m)	3.38	1.79	2.93	2.16	1.68	0.407

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). It should be noted that the share price has decreased significantly since the end of FY26.

Governance and culture

With Mr Burton's imminent departure from the Board, a Board of three remains: an Executive Chairman and two Executive Directors. None of these Board members have had previous experience as directors of listed companies. This lack of depth, both with experience and Board numbers, creates a major governance issue.

Despite continuing ASA advocacy, there have been no Board changes in the past few years and there appears to be little appetite for change. The ASX announcement covering Mr Burton's retirement underscores the problem: "The company has commenced preliminary discussions with potential candidates who may complement the existing Board…". "Preliminary discussions" are insufficient and the ASA will urge Chair Mr Mader to commission an immediate independent review into the structure and operations of the Board.

Gender equity is an issue. There are no women on the Board. Women represent approximately 9.5% of senior management.

The culture of the company is a people-first approach both to its customers and its workforce. For employees, there are initiatives like Global Pathways and the Three Gears Internal Adventures which help build a progressive work-place culture. The company's Geared for Safety initiative complements this culture.

Key events

Mader has successfully completed its maiden five-year plan based on organic growth. Details of its new five-year plan are set out in the company's "FY26 Financial Results" report released on 25th August 2026. Continuing organic growth will be underpinned by strengthening workforce technical capability. Growth will be accelerated by acquisitions under the slogan "acquire small, scale hard". A $30m-$50m capital investment per annum is flagged. The Defence sector looks to be a new target for operations.

After the end of the financial year, subsidiary Mader Defence has purchased shares in the Wilson Hammond Group for $2.25m and deferred consideration of up to $3m. The Group is a consultancy working in the defence industry. Mr Nuich indicated this acquisition helped with gaining a range of security clearances for work in the Defence sector.

On 7th September 2026, Capital Group Companies, announced through the ASX, that they ceased to be a substantial holder of shares (6.06%) in the company. Eight minutes later there was an ASX announcement about an on-market share buy-back for up to $30 million worth of shares. The buyback was to run for 12 months.

The 29th of October 2026 was a busy day for ASX announcements. CFO Mr Paul Hegarty was to immediately step down from the position. Three hours later the company received an ASX query about a sudden and major share price drop (~17%) on very high volumes.

Key board or senior management changes

Non-independent NED Mr Craig Burton will not stand for re-election on the Board (ASX announcement 23rd October 2026) and will retire at the conclusion of the upcoming AGM. Mr Burton chaired the company's Nomination and Remuneration committee. No reason was given for his decision.

On 29th October 2026 it was announced that Chief Financial Officer, Mr Paul Hegarty was to step down with immediate effect. Executive Director Mr Patrick Conway will cover his role on an interim basis.

Sustainability/ESG

Mader shows commendable interest in, and investment to meet its obligations in the social field, particularly with the well-being of its staff.

Scope 1 emissions for the consolidated group are 8,444 tonnes of CO2e. No climate-related targets have been set, nor has the company "…identified any climate-related targets that it was required to meet under applicable law or regulation". There is no discernible willingness from the company to address its own GHG emissions. Instead, they "… engage with its customer base to ensure comprehensive support of their operations as they progress along their ESG journey".

The role of new generation biodiesel, with its lower carbon footprint, was not mentioned in the Report. Mr Nuich indicated supply issues in remote locations made bio-diesel impractical.

The company proposes to set up a Sustainability Committee with the Chief Financial Officer (Australia) to take overall responsibility for overseeing the company's obligations.

Please see the previous comments about Governance.

ASA Focus issues:

Mader's physical presence AGM has been supplemented with a webcast for the first time. This will be acknowledged at the AGM with a request for the next step to be taken – a hybrid meeting.

AI and cybersecurity risks were raised with Mr Nuich. He gave assurances that ample resources have been allocated to manage risks. The company buys in lots of expert services to assist and there are regular drills.

4. Rationale for Voting Intentions

Resolution 1: Adoption of Remuneration Report (Against)

There are a number of positive features in the Report. However, the company uses only one metric (NPAT) when calculating LTI awards. A second measure is needed to better align with shareholder wealth creation, namely some form of TSR or metric like ROE (Return on Equity). The Board suspended dividends in FY26 without explanation and this has fed into the decision to vote against the Report.

Resolution 2: Re-election of Director – Mr Patrick Conway (Against)

Mr Conway has had over 15 years of experience in the mining and mining services industries in Australia and globally. He is an accountant by training. He has been with the company for 11 years, is the Director Emerging Business and chairs the Audit and Risk committee. The ASA vote reflects the absence of Independent Directors on the Board and the unwillingness to address the issue of independence. Compounding the problem is Mr

Conway carrying out the roles of CFO and Chair of the Board's Audit and Risk committee at the same time and reflects poorly on governance standards.

Resolution 3: Adoption of Equity Incentive Plan (For)

The Board is seeking flexibility to have sufficient securities to support the company's employee incentive scheme up to a maximum of 10,571,336 securities. The ASA favours employee incentives by way of equity awards and the intent of the resolution look sound.

Resolution 4: approval to issue Director Performance Rights to Director – Mr Justin Nuich (For)

Approval is sought for the issue of 1,500,000 rights to support the company's new five-year plan (concluding at the end of FY31). Awards will target organic profit only and specifically exclude a range of items such as non-recurring investments and government grants. The annual share-based expense, averaged over the five years, is given as $1.86m. Measured against Mr Nuich's FY2026 fixed remuneration (salary and fees of $893,297 plus superannuation of $33,033), and assuming an annual STI equal to his FY2026 STI cash award of $450,000, the average annual value of the proposed award would place approximately 71% of his annual package at risk. This is a forward-looking estimate for the proposed award only; it is separate from his actual FY2026 remuneration, of which 71% was performance related (see Appendix 1).

The ASA's concern under Resolution 1 about reliance on a single profit-based LTI measure also applies to this award, and the size of the award alone does not address it. The Resolution is nevertheless supported on balance because the hurdle is based on organic profit only, excluding non-recurring items and government grants, which limits the scope for the award to be met through acquisitions or one-off gains, and because it is tied to a five-year performance period ending in FY31. The ASA will continue to urge the Board to add a shareholder-return measure, such as TSR or ROE, to future awards.

Resolution 5 – Approval of potential Termination Benefits (Against)

The Board is seeking expanded discretionary powers in determining future participants in company's Equity Incentive Plan and early vesting conditions of awards under the plan. No reference is made to claw-back provisions. Given the lack of independence on the current Board, the ASA cannot support giving it expanded discretionary powers.

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Appendix 1: Remuneration Framework Detail

Aggregate NED fees are set at $300,000 pa.

Executive Chairman and founder Luke Mader is paid $2,000 per day worked. He is not a beneficiary of any incentive plan.

For key management personnel, variable remuneration: annual short term incentive plan (STIs) is on offer and involves a cash bonus. There are three components:

- A financial metric is used (50% of the award) and involves an annual growth rate and minimum NPAT threshold.
- A TRIFR- an injury-free target – (30% of the award) is set at <4.0 incidents per million hours worked.
- Labour retention (20% of the award) is assessed by turnover rate and a target is set by the board at the start of the financial year.

Awards are made in cash and are capped at 90% of fixed remuneration.

Variable Remuneration Strategic Plan: long term incentive plan (LTIs) can involve an equity award as well as cash. A five-year plan was adopted in FY 2021 with a focus on organic growth with two success milestones:

- NPAT >$40m in FY2024
- NPAT > $60m in FY 2026.

Both targets were achieved.

CEO's comparative package

Mader's remuneration package does not lend itself to the usual comparative table because target and maximum opportunity $ sums are not given. CEO Justin Nuich's final FY2026 remuneration (but not necessarily take-home pay) consisted of:

- Salary and fees: $893,297
- STI cash: $450,000
- Non-monetary: $56,349
- Superannuation: $33,033
- Strategic Plan Remuneration (LTI): equity valued at $445,802
- Cash: $1,500,000 (probably a LTI payment)
- **Total $3,378,481.**

71% of Mr Nuich's remuneration was performance related.