ARGO INVESTMENTS LIMITED

CORPORATE GOVERNANCE STATEMENT

2026

Introduction

The Board of Argo Investments Limited (Argo) is committed to responsible financial and business practices and the highest standards of corporate governance to protect and advance shareholders' interests.

This Corporate Governance Statement provides information about the Company's corporate governance practices in compliance with ASX Listing Rule 4.10.3 and the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations (Principles and Recommendations). The Company has followed the Principles and Recommendations except where specifically stated.

The information in this Statement is current as at 1 August 2026 and has been approved by the Board of the Company.

The governance documents referred to in this Statement are available in the Corporate Governance section of the Company's website at www.argoinvestments.com.au.

References to the Company include its wholly owned subsidiary, Argo Service Company Pty Ltd (ASCO), which employs the Managing Director, other executives and employees who provide management services to the Company. References to the management resources of the Company include those of ASCO and the Company's governance policies and codes are applicable to ASCO staff.

Principle 1: Lay solid foundations for management and oversight

1.1 Role and responsibilities of the Board

The Board's role is to ensure the long-term prosperity of the Company by providing overall strategic guidance and effective oversight of management.

The Board Charter sets out the Board's responsibilities, which include:

Strategic matters:

- setting the Company's purpose, its strategic direction and corporate objectives to maximise shareholder value;
- approving the strategic plan proposed by management; and
- approving any capital management, major expenditure or business acquisitions or disposals.

Delegation and supervision matters:

- appointing, monitoring, assessing and terminating the services of the Managing Director;
- establishing investment authority limits for delegation to the Managing Director; and
- with the assistance of recommendations from the Audit & Risk Committee, approving half-year and full year financial results and overseeing the Company's financial reporting and internal control systems.

Risk matters:

- setting the Company's risk appetite;
- approving and monitoring appropriate levels of investment risk within the Company's portfolio; and
- with the assistance of recommendations from the Audit & Risk Committee, approving, maintaining and reviewing appropriate risk management and internal control systems to identify, assess, monitor and manage the Company's operational and business risks.

Corporate governance matters:

- approving the Company's Statement of Core Values and Code of Conduct to underpin desired ethical standards and culture;
- instilling the Company's core values and ethical standards;
- approving appropriate Company policies and the Corporate Governance Statement;
- establishing and reporting on diversity objectives;
- overseeing the Company's processes for disclosure and communications; and
- overseeing the Company's Whistleblower policy including providing a contact point for stakeholders to confidentially submit for investigation any serious complaint against the Company or its representatives.
- overseeing the Company's compliance with, and reporting of, relevant climate-related risks and broader environmental, social and governance requirements.

Nomination and succession matters:

- ensuring appropriate Board and management succession plans are in place;
- establishing procedures for the re-election of retiring Directors, having regard to the Company's tenure practice and the mix of skills, experience, expertise and diversity required by the Board; and

- where necessary, implement a process to identify suitable candidates for appointment to the Board.

Remuneration and people matters:

- with the assistance of recommendations from the Remuneration Committee:
  - overseeing the remuneration framework for the Company, including ensuring it is aligned with its purpose, values, strategic objectives and risk appetite; and
  - setting the remuneration of the Managing Director and appropriate levels of Board, subsidiary company Board and Committee fees payable to Non-executive Directors within the limits approved by shareholders from time to time.
- overseeing the Company's culture and human resources practices including work health & safety and behaviour in the workplace.

Delegation to Management

Except for the matters expressly reserved for the Board under the Board Charter, the Board has delegated responsibility for managing and progressing the Company's day-to-day business to the Managing Director. The Managing Director operates within delegated authority limits approved by the Board and is accountable to the Board.

Delegation to Board Committees

The Board has established the Audit & Risk Committee and the Remuneration Committee to assist it in performing its role. These Committees provide advice and recommendations to the Board. Further information on the scope of each Committee's authorities is available in the Audit & Risk Committee Charter and the Remuneration Committee Charter.

The Board Charter is available on the Company's website at:
Board Charter

1.2 Appointment and re-election of Directors

Non-executive Directors are elected by shareholders and, in accordance with the Company's Constitution, no Director may hold office for a period longer than three years without standing for re-election by shareholders at the Annual General Meeting (AGM).

The Managing Director is an executive Director who is appointed by the Board and is not subject to election or re-election by shareholders.

The Company's appointment of new Non-executive Directors involves a formal selection process managed by the Board and assisted by external recruitment consultants when required. Appropriate reference and background checks are conducted in relation to shortlisted applicants prior to the Board making an offer to a preferred candidate. These enquiries include checking qualifications and experience, and screening for any bankruptcy or criminal convictions. Candidates are asked to provide details of their other commitments and an indication of the time involved. Directors appointed by the Board must stand for election by shareholders at the AGM following their appointment, in accordance with the Constitution.

The Board ensures that the Notice of Meeting, which is released prior to the AGM, includes all material information obtained by the Company to enable shareholders to make an informed decision as to election or re-election of a candidate, including biographical details, confirmation that appropriate

background checks have been conducted (in the case of new directors), the term currently served, the candidate's other current or recent directorships, the candidate's independent or non-independent status, any material adverse information and a statement of the Board's support or otherwise for the election or re-election.

The Board's normal practice is that Non-executive Directors may serve a tenure of up to nine years from the date of first election by shareholders. However, the Board may support an extension where it considers it would benefit the Company.

The Board Composition, Selection and Appointment Policy is available on the Company's website at: Board Comp, Selection and Appointment Policy

1.3 Director and senior executive employment agreements

Non-executive Directors

A letter of appointment and a deed of indemnity is provided to each incoming Non-executive Director. The letter sets out the terms of appointment, expectations and responsibilities of the role, remuneration, director independence requirements, links to key corporate policies, access to corporate resources and confidentiality requirements. Non-executive Directors are required to notify the Chairman before accepting a new role that could impact their time commitment to Argo or give rise to a conflict of interest. The letter also includes information as to the circumstances where a Director may seek independent professional advice at the expense of the Company.

Directors and officers of the Company are covered by insurance against certain liabilities they may incur in carrying out their duties for the Company, to the extent permissible by law.

Senior executives

The Managing Director and the other senior executives are employed by the Company pursuant to executive service contracts. The terms of the contracts include expected duties and responsibilities, reporting lines, remuneration, entitlements and termination conditions.

1.4 Company Secretary

The Chief Operating Officer performs the role of Company Secretary. His duties include a broad range of management responsibilities in addition to the company secretariat function. The formal reporting line in relation to those management responsibilities is to the Managing Director. However, accountability on all matters of Board practices and governance is to the Board, through the Chairman. The Company Secretary is available to advise the Directors on the implementation, administration and function of corporate governance. The appointment and removal of the Company Secretary is decided by the Board.

The qualifications and experience of the Company Secretary are available in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at: https://www.argoinvestments.com.au/shareholder-centre/

1.5 Diversity and inclusion

The Company is committed to being an inclusive workplace that values and promotes diversity in terms of age, disability, gender, ethnicity and cultural background. The Company provides a working environment which is free from unlawful discrimination, harassment, bullying and victimisation. The Company recognises that a diverse range of perspectives within the workforce facilitates good decisions, business practices and ethical behaviour. The Company provides employees with equal access to career opportunities, training and benefits.

Due to the nature of the Company's business, only a small number of Directors, executives and employees are required to manage the Company's operations. The Company's proven employment practices have allowed a stable workforce to be maintained over the years with the result that staff turnover has been minimal. However, when recruitment is undertaken, a diverse range of candidates are considered, with the final selection based on merit.

The Board establishes measurable objectives annually for achieving gender diversity in the composition of its Board, senior executives and workforce generally. Management is responsible for designing, implementing and maintaining programs and initiatives to help achieve those objectives. Each year the Board reviews Argo's progress towards achieving its gender diversity objectives and the adequacy of its programs and initiatives.

The Company's objective for gender diversity is currently set at achieving a minimum of one-third representation of each gender at each level of the organisation.

The current gender representation at various levels within the Company is as follows:

Level	Female	Male
Board of Directors	50%	50%
Senior executive*	27%	73%
Organisation overall	40%	60%

* Senior executives are defined as executives who influence the management of the Company on a day-to-day basis and who report directly to the Managing Director.

The Diversity and Inclusion Policy is available on the Company's website at:
Diversity and Inclusion Policy

1.6 Evaluation of Board performance

A formal process of performance evaluation of the Board, its Committees and its individual Directors takes place every year. The Review may be conducted internally or by external consultants.

The internal process involves the Chairman reviewing the performance of the Board as a whole with the aid of a board performance evaluation questionnaire completed by all Directors. The process addresses key aspects of the Board's operations. The findings are discussed by the Board and any recommendations for changes to the Board's operations are developed and implemented. The Committees of the Board follow similar procedures.

This year's internal evaluation identified that the Board has performed well during the year and is operating effectively.

The Performance Evaluation and Remuneration Policy is available on the Company's website at:
Performance Evaluation and Remuneration Policy

1.7 Evaluation of senior executive performance

The Board reviews the performance of the Managing Director annually against agreed financial and non-financial performance measures, based on the level of achievement of a number of company-level and individual performance hurdles. The Managing Director undertakes a similar annual review of the performance of the other senior executives, which is reviewed by the Remuneration Committee. The most recent performance reviews were conducted in July 2026 relating to the 2025/2026 financial year.

The Remuneration Report, which is in the Directors' Report within the 2026 Annual Report, is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre

Principle 2: Structure the Board to be effective and add value

2.1 Nomination and renewal

The Board has not appointed a Nomination Committee as it considers that all Directors should participate in nomination matters, including succession planning for the Board. This is a departure from the Principles and Recommendations but the Board places great importance on these matters and prefers not to delegate them to a committee. The Board is committed to an orderly process of renewal and discusses succession planning regularly.

The decision and process to appoint a new Director is overseen by the Chairman. The Board's current size, composition and succession planning requirements are taken into account. With reference to the Board's skills matrix (see below), any additional skills, qualifications or experience areas which are considered desirable are identified before commencing the candidate selection process.

The Board Composition, Selection and Appointment Policy is available on the Company's website at: Board Composition, Selection and Appointment Policy

2.2 Board skills matrix

Directors are selected in order that the Board as a collective possesses a wide range of skills, knowledge and experience which is sufficient and appropriate to steer the strategic direction of the Company, challenge management and discharge its obligations effectively.

To assist the Board to identify areas of focus and to ensure an appropriate and diverse mix of skills, experience and expertise, a Board Skills Matrix has been developed and is reviewed at least annually. It is an important tool, but not the only basis of criteria applying to Director appointments.

The following matrix summarises the key skills and qualifications that Board members presently contribute, split into three levels of experience:

Skills/qualifications	**Number of Directors by experience level (out of 6)**		
	Awareness	*Experienced*	*High competency*
Funds management	-	1	5
Strategic	-	-	6
Financial	-	-	6
Risk management	-	-	6
People & culture	-	2	4
Legal & regulatory	-	2	4
Marketing	-	2	4
Technology	-	3	3
Governance	-	-	6
Sustainability /Climate	-	5	1

In addition, due to the nature of the Company's investment activities, a matrix of the Directors' experience by industry is maintained. This industry experience is an important component of the investment process, as the analytical team can benefit from the Directors' insights into various investment sectors through their current or previous directorships, or past executive roles.

The following matrix summarises the experience of Board members by investment sector:

Investment sector experience	**Number of Directors** (out of a total of 6)
Energy	2
Materials	2
Industrials	3
Consumer Discretionary	1
Consumer Staples	0
Healthcare	1
Financials	4
Information Technology	0
Communications Services	0
Utilities	2
Real Estate	2

The individual qualifications and experience of each of the Directors is outlined in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at: https://www.argoinvestments.com.au/shareholder-centre/

2.3 Director independence

The ability of directors to exercise independent judgement is a crucial feature of good corporate governance. Independent, non-executive directors are unfettered by management and free from any business or other relationship that could materially interfere with the independent exercise of their judgement.

The Board Charter sets out the Company's test for assessing Director independence. This test is consistent with Recommendation 2.3 of the Principles and Recommendations. It includes the disclosure of any material contract or relationship and extends to the interests of any family companies or close family members.

The independence status and length of service of each current Company Director is provided in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at: https://www.argoinvestments.com.au/shareholder-centre/

2.4 Majority of independent Directors

The Board Charter stipulates that the majority of Company Directors are to be independent and non-executive. The Chairman of the Board must be an independent director. The Board completes an assessment of the independence of each Director prior to their appointment and annually thereafter.

The Board currently comprises five independent, non-executive Directors and one non-independent executive Director, who is the Managing Director.

2.5 Chairman of the Board

The Chairman, Mr Peter Warne, is an independent, Non-executive Director.

The Chairman leads the Board and his responsibilities include:

- organisation and conduct of Board affairs;
- overseeing the provision of appropriate information to the Board;
- ensuring efficient and effective discussions at Board meetings;
- fostering a Board culture that encourages contribution and challenge in a constructive manner; and
- representing the Company to shareholders and the wider community.

2.6 Induction and professional development of Directors

All new Directors participate in an induction program which involves the Chairman and senior management. The program includes briefings on the Company's strategy, organisational structure, corporate governance practices, risk management framework, culture, accounting policies and applicable codes, charters and policies regarding the required ethical conduct of Directors and employees.

The Board reviews annually its collective skills and qualifications and the Company provides appropriate professional development opportunities where required for Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

3.1 Statement of Core Values

The continued long-term success of Argo is dependent on it maintaining the trust, confidence and respect of its shareholders and the broader community. The Company's Statement of Core Values identifies Argo's core values which underpin its culture, Code of Conduct, business strategy, remuneration structure and general approach to its business dealings:

Integrity Acting honestly, diligently and with truthfulness	**Stakeholder interests** Dealing fairly, without prejudice and in the best interests of shareholders having regard to other stakeholders
Professional excellence Striving to achieve strong individual and Company performance through a commitment to professionalism	**Compliance** Abiding by the law and complying with Company charters, codes and policies

These core values are fostered within the Company to promote ethical and responsible behaviour at all levels.

The Statement of Core Values is available on the Company's website at:
Statement of Core Values

3.2 Code of Conduct

The reputation of the Company in the business world and broader community is of fundamental importance. The Company's Code of Conduct provides the framework which ensures that all Directors, executives and employees engage only in practices that ensure the highest standards of honesty and integrity.

The Board will be informed of any material breach of the Code of Conduct or any incident that calls into question the culture of the Company.

Due to the investment activities of the Company, the Securities Trading Policy (which regulates trading in the shares of the Company, any external listed investment company clients and other ASX-listed securities or unlisted securities that may be held in the investment portfolio), is another key policy which all Directors and employees must commit to.

The Code of Conduct is available on the Company's website at:
Code of Conduct

The Securities Trading Policy is available on the Company's website at:
Securities Trading Policy

3.3 Whistleblower Policy

Argo's Whistleblower Policy allows stakeholders to confidentially submit for investigation any serious complaint against the Company or its representatives and provides protections for employees who do so. The Board will be informed of any material concern raised under the Policy or that calls into question the culture of the Company.

The Whistleblower Policy is available on the Company's website at:
Whistleblower Policy

3.4 Anti-bribery and Corruption Policy

Argo's Anti-bribery and Corruption Policy prohibits bribes or other improper payments or benefits to public officials and involvement in private bribery such as kickbacks or secret commissions. It also provides guidance around the acceptance of gifts and hospitality.

The Board will be informed of any material breach of the Policy or any incident that calls into question the culture of the Company.

The Anti-bribery and Corruption Policy is available on the Company's website at:
Anti-bribery and Corruption Policy

Principle 4: Safeguard integrity of corporate reports

4.1 Audit & Risk Committee

The Audit & Risk Committee assists the Board in fulfilling its statutory and fiduciary obligations by providing independent and objective recommendations and assurance on the effectiveness of governance, operational risk management, financial reporting, internal control processes and the external audit.

The process for approval of the financial statements is reviewed and assessed by the Audit & Risk Committee each reporting period.

The external audit firm partner responsible for the Company audit attends Audit & Risk Committee meetings by invitation. The Committee formally reports to the Board after each of its meetings.

The Audit & Risk Committee comprises three independent, non-executive Directors. The Chair of the Audit & Risk Committee is an independent Director who is not also the Chair of the Board.

The experience and qualifications of each member of the Audit & Risk Committee, as well as their attendance at Audit & Risk Committee meetings during the year, is provided in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/

The Audit & Risk Committee Charter is available on the Company's website at:
Audit & Risk Committee Charter

The Audit & Risk Committee is responsible for making recommendations to the Board in relation to auditor independence, audit partner rotation and the provision of non-audit services by the auditor. Currently, the Company's external audit is undertaken by PricewaterhouseCoopers (PwC) and the audit engagement partner is required to be changed at five-year intervals.

The External Auditor Policy is available on the Company's website at:
External Auditor Policy

4.2 Management declarations in financial reporting

In accordance with Section 295A of the Corporations Act, the process for approval of the half-year and full year financial statements involves the Managing Director and the Chief Financial Officer declaring in writing to the Audit & Risk Committee and the Board that, in their opinion, the financial records of the Company have been properly maintained in accordance with the Corporations Act, and that the financial statements comply with the relevant accounting standards and give a true and fair view of the financial position and performance of the Company. Management's opinion must be based on a sound system of risk management and internal control which is operating effectively.

The financial reports are reviewed by the Audit & Risk Committee and the external auditor, and recommendations are made to the Board as to their adequacy prior to approval and public release.

4.3 Integrity of corporate reports

Externally audited reports
The financial report and remuneration report, both within the Directors' report are audited by PwC and an independent auditor's report is provided in the 2026 Annual Report.

The external auditor attends the AGM and is available to answer shareholder questions. Such questions may encompass the accounting policies adopted by the Company, the conduct of the audit or the independence of the auditor.

Non externally audited reports
The Company undertakes a rigorous validation process using internal and external resources to check and verify information disclosed to the market to ensure that its annual Directors' report and any other periodic reports are consistent, accurate and balanced and provide investors with appropriate information to make informed investment decisions. Management strives to ensure that information disclosed is expressed in a simple and understandable form.

Principle 5: Make timely and balanced disclosure

5.1 Continuous disclosure

The Company is committed to providing relevant and timely information to its shareholders and to the broader financial community, in accordance with its continuous disclosure obligations under the ASX Listing Rules and the Company's Disclosure Policy.

All staff are required to inform a member of the Company's Continuous Disclosure Committee immediately if they become aware of any potentially price sensitive information relating to the Company.

The Continuous Disclosure Committee, which comprises the Managing Director, the Chief Operating Officer and the Chief Financial Officer, will consider any event or circumstance, in consultation with the Board, to determine whether disclosure to the ASX is required in order to comply with the continuous disclosure requirements of the Listing Rules. Any resulting disclosure must be released to the market through the ASX announcements platform.

The Chief Operating Officer, who performs the role of Company Secretary, is primarily responsible for co-ordinating the disclosure of information to the ASX, regulators and shareholders on behalf of the Company, in consultation with the Board and other executives as required.

The Disclosure Policy is available on the Company's website at:
Disclosure Policy

5.2 Board receives copies of announcements

Any price sensitive information must be released to the market through the ASX. Following confirmation of receipt from the ASX, management will ensure that the Board receives a copy of the announcement and that it is posted under the 'ASX announcements' section on its website.

5.3 Release of investor presentations

From time to time, authorised spokespersons may conduct open or one-to-one briefings or marketing presentations with potential or current investors and/or advisers.

As a matter of policy and due to its nature as a non-controlling investor in other companies, Argo does not disclose profit forecasts. Any price sensitive information that has not previously been disclosed to the market will not be disclosed at a briefing or presentation.

The Company will release to the ASX any new or significant presentation materials prior to their use.

Principle 6: Respect the rights of security holders

6.1 Access to information about the Company

The Company's website at www.argoinvestments.com.au, contains extensive information about the Company, its activities, portfolio, investment performance, the Directors and senior executives. It is updated regularly to keep shareholders informed at all times.

Corporate governance information is available on the Company's website at:
https://www.argoinvestments.com.au/corporate-governance/

Company announcements lodged with the ASX, including financial results and Net Tangible Asset backing (NTA) disclosures, are available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/

In addition, information is communicated to shareholders through the Annual Report which is distributed to shareholders who request it, letters providing details and explanation of the half-year and full year financial results and other correspondence regarding matters impacting on shareholders as required.

6.2 Investor relations

The Company has a Communications Policy which promotes the rights of shareholders to access high quality information and participate in effective two-way communication. Open and honest communication with shareholders is an important part of the Company's culture. There are a number of ways shareholders and other stakeholders are provided with the opportunity to communicate with the Company:

NTAs & Investment Updates
The weekly NTA estimate and monthly NTA & Investment Update announcements provide shareholders with the NTA at the close of each week and month and monthly market commentary.

Website
The website is updated regularly with detailed information about the Company including portfolio performance, media releases, ASX announcements, notice of general meeting (NOM), weekly and monthly NTA updates, investor presentations and the Annual Reports. Shareholders can submit questions by email, via the 'contact us' link on the website. Shareholders and potential investors can subscribe to receive additional Company information via an email distribution list.

Share registry
The contact details for the Company's share registry provider, Boardroom Pty Ltd can be found in the Share registry section of the website.

Annual General Meeting
The AGM is a key opportunity for the Company's Board and management to meet and communicate with investors and for investors to ask questions and provide feedback. Shareholders are encouraged to attend and to participate in the AGM, to ensure a high level of accountability and identification with the Company's strategies and goals. The AGM is streamed live on the Company's website.

Investor Information meetings

Investor information meetings are held annually in a number of cities around Australia providing shareholders and potential investors with the opportunity to learn about the Company, its portfolio composition and performance, to raise questions, meet members of staff and participate in general discussions about the Company in an informal manner.

Responding to queries

Our staff respond to all shareholder queries regarding the Company's operations, whilst ensuring that any information provided is publicly available, not price sensitive and not considered to be personal advice.

The Communications Policy is available on the Company's website at:
Communications Policy

6.3 Encouraging participation at shareholder meetings

The Company encourages shareholders to attend the AGM and investor information meetings. For those that cannot, the AGM is streamed live on the Company's website and the key presentations and results are posted on the website and released to the ASX. If circumstances do not allow physical attendance, a facility will be provided for shareholders to ask questions.

The Company releases the NOM prior to each AGM. Shareholders who are unable to attend the AGM in person may appoint a proxy to vote on their behalf. A proxy can be directed to vote in accordance with the instructions of the shareholder, or the shareholder can request the proxy vote as they see fit. To encourage shareholders to vote, proxy votes can be lodged in person, by mail, by fax or on-line. Questions can also be submitted by shareholders in advance of the AGM.

6.4 Annual General Meeting resolutions

The Company decides all resolutions at its AGMs by poll rather than by show of hands. This is in keeping with the principal of 'one security one vote', treating all votes equally whether a shareholder attends in person or votes by proxy or other representative.

6.5 Electronic communication

Shareholders have the option to receive communications electronically by registering on-line with the share registry manager, Boardroom. If such an election is not made, communications will be delivered by post. Shareholders who register their holding with Boardroom will also be able to access and update their registration details, banking instructions or communication options on-line at any time of day.

Principle 7: Recognise and manage risk

7.1 Oversight of risk management

The Board monitors the business risks of the Company in the discharge of its stewardship responsibilities. The Company operates in a competitive environment and the business is exposed to a range of commercial, economic and market risks that cannot be fully predicted or controlled. Changing conditions have the potential to impact upon the Company's business but the Company must have exposure to risk if it is to succeed in its objective of maximising long-term shareholder returns. The material risks affecting the Company are actively monitored and managed. The risks are divided into two broad categories, being operational risk and investment risk.

Operational risk

The Audit & Risk Committee is responsible for assisting the Board in relation to the oversight of operational risks. This includes managing risks such as fraud, legal and regulatory issues, property damage, security of technology, privacy, compliance and operating systems.

The responsibility for day-to-day identification and management of operational risks has been delegated to senior management, which reports to the Audit & Risk Committee with any significant risk related matters and recommends any necessary changes to the Company's risk management framework.

Investment risk

The Board as a whole is responsible for the oversight of investment risk, which focuses particularly on the characteristics and appropriateness of the investment portfolio. The Board monitors the portfolio's composition, relative and absolute performance statistics and the volatility of income and capital returns, in order to determine the risk of any potential adverse impact on the achievement of the Company's business objective of maximising long-term shareholder returns through a mix of capital and dividend growth.

The business carries inherent investment risk as its revenue is generated primarily from investing in tradeable securities which fluctuate in price and dividend yield. The Company minimises investment risk by a policy of diversification of long-term investments across a broad range of market sectors. A large, diversified portfolio and a conservative investment philosophy mean that the Company manages its risk whilst pursuing its long-term business objectives.

The responsibility for managing day to day investment risk is delegated to the Managing Director who oversees an experienced team of analysts.

Details of key risk elements applicable to the Company are provided in the Notes to the Financial Statements in the 2026 Annual Report, which is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/

The Risk Management Policy is available on the Company's website at:
Risk Management Policy

7.2 Risk management framework

Board

The Board is responsible for setting Argo's risk appetite and, with the assistance of the Audit & Risk Committee, is responsible for overseeing the risk management framework and satisfying itself that the Company has a sound system of risk management and internal control.

The risk management framework has been reviewed by the Board for the current reporting period and is considered to be operating effectively. The Board is also satisfied that Argo is operating in accordance with its risk appetite.

Management

The risk management procedures have been designed and implemented by management, approved by the Board and are summarised in the Company's Risk Management Policy.

The procedures involved in the management of material business risks include:

- Identify risks – the business risks to which the Company is exposed are continually monitored and the business environment is regularly reviewed for new risks;
- Analyse and evaluate risks – a deep understanding of each risk is developed including their likelihood, consequences and existing internal controls. The level of each risk is rated using Argo's risk matrix and a residual risk identified;
- Manage risks – the Board assesses residual risk in light of its risk tolerance for a particular category and its overall risk appetite. It may determine a risk to be acceptable or may require further mitigation measures to be added; and
- Monitor and review - management reports regularly to the Audit & Risk Committee regarding the risk register, the effectiveness of the risk management framework and any relevant events or changes in the internal control or risk environment. An annual review of the Risk Management Policy and procedures is undertaken by the Audit & Risk Committee and the Board.

7.3 Internal audit function

The Company does not have a formal internal audit function, which is a departure from the Principles and Recommendations. However, due to the size and nature of its administrative and financial operations, the Board considers that an internal audit function is not appropriate or efficient. This determination is reviewed at least annually. The responsibility for the internal risk management and internal control system lies with the Managing Director, the Chief Operating Officer and the Chief Financial Officer, who report to the Audit & Risk Committee.

The Audit & Risk Committee may from time-to-time request additional procedures be performed by the external auditor in relation to internal controls, substantiation or other verification testing.

7.4 Exposure to climate-related and ESG risks

The Board retains ultimate responsibility for the oversight of environmental, social and governance (ESG) risks, including climate-related risks and opportunities and ensures these are integrated within the Company's broader risk management framework. The investment team's analysis and engagement on ESG and climate issues forms a key part of this oversight, supporting the Board in protecting and enhancing long-term shareholder value.

Environmental or social risks

Direct

As an investment company with two small offices, the Company itself has a limited direct exposure to environmental risks.

With very few employees, all of whom are office-based, the Company also has limited direct exposure to social (including health and safety) risks. The highest expectation of corporate conduct is at the heart of the Company's philosophy and business practice. The Board, senior executives and other employees are expected to deal with each other, shareholders and the community with respect, integrity and transparency. The Company's Statement of Core Values and the Code of Conduct set out these requirements in more detail.

The Company's Statement of Core Values is available on the Company's website at:
Statement of Core Values

The Company's Code of Conduct is available on the Company's website at:
Code of Conduct

Indirect

The Company may be indirectly exposed to environmental and social risks including climate-related risks, via companies in held in its investment portfolio. Analysis of environmental, social and corporate governance (ESG) risks forms an inherent part of the Company's investment process. The Company recognises that ESG-related risks (as well as opportunities) can have significant financial impacts on an investee company's long-term value and its returns to shareholders.

Our investment team meets with hundreds of company executives and board members each year to examine and evaluate the ESG issues confronting their businesses. We directly engage with management on issues we believe will erode shareholder value, particularly corporate governance policies and practices.

As part of the investment process, the Company considers a range of ESG issues including:

Environmental

- Climate-related risks (including physical risks and transition risks)
- Greenhouse gas emissions
- Biodiversity
- Waste
- Extreme weather events
- Pollution
- Renewable energy
- Resource depletion
- Deforestation

Social

- Modern slavery
- Stakeholder and community engagement
- Employee relations
- Health and safety
- Human rights
- Discrimination and sexual harassment
- Diversity and inclusion
- Workplace bullying
- AI governance and ethics
- Community safety

Governance

- Board experience, workload and diversity
- Executive remuneration
- Management accountability
- Capital allocation and deployment
- Transparency and disclosure
- Anti-money laundering
- Conflicts of interest
- Data security and privacy

Argo submits its Modern Slavery Statement to the Australian Border Force annually in accordance with the requirements of the Modern Slavery Act 2018.

The Company's Environment, Social and Governance Investment Statement is available on the Company's website at:
ESG Statement

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration Committee

The Remuneration Committee reviews and advises the Board regarding remuneration arrangements for the Non-executive Directors, the Managing Director and other executives. It assesses the appropriateness of the nature and amount of remuneration annually by reference to relevant employment market conditions, with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality Board and executive team.

The Remuneration Committee comprises three independent, non-executive Directors. The Chair of the Committee is an independent Director who is not also the Chairman of the Board.

The experience and qualifications of each member of the Remuneration Committee, as well as their attendance at Remuneration Committee meetings, is available in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/

The Remuneration Committee Charter is available on the Company's website at:
Remuneration Committee Charter

8.2 Remuneration

Remuneration levels are set competitively to attract and retain highly qualified and experienced Directors and executives. The Board and the Remuneration Committee seek independent advice as part of the remuneration review process.

Remuneration for Non-executive Directors is fixed and is subject to a maximum remuneration pool of $1,100,000, which was approved by shareholders at the 2015 Annual General Meeting. Statutory superannuation is paid on behalf of Non-executive Directors when required but they do not participate in any incentive plans or receive any performance-based remuneration.

Details of the remuneration of the Non-executive Directors, Managing Director and the Company's senior executives is set out in the Remuneration Report, in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/

The Performance Evaluation and Remuneration Policy is available on the Company's website at:
Performance Evaluation and Remuneration Policy

8.3 Equity-based remuneration

The Board considers it essential that the Company offers competitive remuneration packages to attract and retain the highest calibre executives and includes a deferred equity proportion to both short-term and long-term incentive remuneration, in order to create a strong link between increasing shareholder value and executive reward.
Company policy prohibits executives from entering into transactions which limit the economic risk of unvested equity entitlements under any short-term or long-term incentive plan.

Detail on the equity-based remuneration offered by the Company to its executives is available in the Remuneration Report, in the Directors' Report within the 2026 Annual Report, which is available on the Company's website at:
https://www.argoinvestments.com.au/shareholder-centre/