GOWING BROS
Investing Together For a Secure Future
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ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

**2026 AGM Shareholder Questions and Responses**

*Gowing Bros. Limited provides the following responses to questions received from shareholders ahead of its Annual General Meeting on 24 November 2026.*

**1. Share price matters: Why do GOW shares trade on the ASX below net tangible assets, related strategy, and why does GOW use movements in net assets per share and dividends to calculate TSR? Why is a DRP on offer while a discount exists?**

The GOW board recognises the discount at which GOW shares trade on the market at the current time, compared to Net Tangible Assets. Whilst there are factors outside of the control of the board at force here (a lack of liquidity for smaller shares on the ASX being a large one), the board is working to turn around the performance of Gowings Surf Hardware International (including FCS, Gorilla, Softech and Gowings Pacific Trader). It is the view of the board that this is the single biggest factor the board is able to influence at the current time which is currently impacting the share price.

Other strategies including buy-back will continue to be monitored.

The dividend reinvestment plan (**DRP**) has been kept open despite the discount. A question was received asking 'Issuing DRP shares well below NTA transfers value from shareholders who take cash to those who reinvest. It also lets larger holders increase their percentage without paying a control premium.' In the board's opinion, this debate is academic as:

1. Shareholders who wish to take up the DRP could instead buy shares on-market with the same impact.
2. No control premium would exist for a purchase of this size as realistically a $0.06 annual dividend is well under the threshold for paying a control premium under the 3% creep rule per s611 item 9 of the *Corporations Act 2001* (Cth).

Regarding how the TSR measure is disclosed in the Annual Report, the 1.3% figure in the Annual Report reflects the movement in net assets per share before tax on unrealised gains, together with dividends. We use this measure to show how the value of the Company's underlying assets changed over the year, taking dividends into account.

Other related questions on this topic are deemed to be commercially sensitive.

**2. Board composition and independence questions**
As set out in the Corporate Governance Statement, if the Chairman's independence is an issue on a particular matter, an independent non-executive director chairs that discussion and the Chairman steps aside.

The Board assessed all four non-executive directors as independent for FY26. In making that assessment, the Board considered whether any interest or relationship could materially affect, or could reasonably be seen to affect, a director's independent judgement. The Company maintains a register of directors' interests, and the Corporate Governance Statement specifically addresses John Parker's tenure.

Regarding James Davis, James is 1 of 5 partners at accounting firm HQB Accountants Auditors Advisors (**HQB**). David Gorman (also a partner at HQB) provides company secretarial services and is the Company Secretary. Because of the partnership agreement James is subject to with HQB, directors' fees are paid into HQB rather than received by James personally, hence why no 12% superannuation is applied. It has been assessed that James is independent as fees received by HQB from GOW are not material to James' investment in HQB.

No entity controlled by Stephen Sawtell provide any services to the Company or have any interest in its developments.

GOW maintains a register of directors' interests.

The Corporate Governance Statement specifically addresses John Parker's tenure, and the board continues to monitor any potential independence issues.

Other related questions on this topic are deemed to be commercially sensitive.

**3. Why did GOW pay about $3.2 million in dividends given the losses, negative operating cash flow and increased debt?**
A stable dividend policy where possible is important to the board of GOW.
The Group's FY26 loss before tax was $7.70 million. However, approximately $4.93 million reflected the net effect of property and private equity revaluations and depreciation and amortisation (non-cash). The main constraint on the Group's performance otherwise is the losses incurred by Gowings Surf Hardware International, which is the focus of significant workflows presently. Of the $3.225 million in dividends recorded during FY26, $1.981 million was paid in cash and $1.244 million was reinvested through the DRP (and so not a cash outflow).

Other related questions on this topic are deemed to be commercially sensitive.

**4. Is there a minimum shareholding requirement for non-executive directors?**
Yes. Article 92 requires directors, including non-executive directors, to hold at least 5,000 ordinary shares in the Company unless shareholders determine otherwise at a general meeting.

**5. Remuneration and family employment – oversight and the remuneration committee**
Ellis Gowing is the general manager of the Gowings Surf Hardware International business, which is a significant trading segment of GOW. This explains his increase in remuneration since that role was taken on.
Executive (and board) remuneration is considered conservative compared to similar sized listed entities and benchmarked.
The executive chairman and Sean Clancy sit on the remuneration committee but as noted previously, if the Chairman's independence is an issue on a particular matter (e.g. if the matter related to his remuneration or a family member), then the Chairman will stand aside of that decision.

Other related questions on this topic are deemed to be commercially sensitive.

**6. Related-party payments - HQB, the Whale Trust, and the company aircraft**

HQB Accountants Auditors Advisors – as noted above, GOW represents an immaterial level of annual fees to HQB. Those fees are at arm's length, and other than David Gorman's company secretarial work, are effectively routine/mechanical, such as payroll tax lodgement and BAS lodgement monthly.

Gowings Whale Trust – this entity is registered with the ACNC, and as such submits audited financial statements annually, together with the "Annual Information Statement". These documents are publically available on the ACNC website and therefore we encourage anyone with questions on this trust to review those reports.

Company aircraft — Cessna 208
The aircraft was purchased for $2.7M, of which there has been $500K total depreciation, and $2.2m net book value remaining. It has not been assessed as impaired. It is used to access GOW assets as required and is not used for personal purposes.

Other related questions on this topic are deemed to be commercially sensitive.

**7. Surf Hardware International (GSHI), debt, refinancing and valuations – plans to improve performance of GSHI, refinancing of St George, and directors' valuations on properties**

GSHI is an acute focus of the board and management who have formed a working group to review.
The decisions of this working group are commercially sensitive in nature.
The Chairman's report is accurate in its disclosure that margins improved. Mapping of financial statement disclosures relating to note 5 (GSHI Cost of Sales) is currently under review.

St George facility refinancing is sensitive in nature and GOW expects to be able to refinance at market terms on commercial rates in due course.

Valuations are supportable with independent data. Sawtell Commons for example is carried at cost $15.6m as per accounting policy. GOW does not plan to publish copies of valuations.

**8. Reporting, governance practice and shareholder engagement – was the annual report reviewed, James Gowing employment at William Buck, AGM format, and ASX Corporate Governance.**

The board and audit committee all reviewed the draft annual report and had the ability to add comments before publishing to the ASX.

James Gowing was employed at William Buck as a Senior auditor until October 2020. William Buck was subsequently appointed as auditor of Gowing Bros for the year ended 31 July 2022 on 1 December 2021 at the FY21 AGM. Therefore James Gowing was never part of the audit engagement team.

The board encourages onsite attendance at the AGM.
The board will continue to consider recommendations from the ASX.

Other related questions on this topic are deemed to be commercially sensitive.

**Authorised for release by:**

The Board of Gowing Bros. Limited.