Argent Industrial Limited

Annual General Meeting
30 July 2026
Financial Year End: 31 March 2025

Proxies voted	No of shares
Sanlam: Ditikeni Trust	73 000
Vunani: Labour Research Trust	43 165

Argent Industrial Limited is a steel-based beneficiation group with a diverse portfolio including international brands in manufacturing, steel trading, and properties across South Africa, the United Kingdom, and North America. The reports are compiled in South African Rand (ZAR).

Operational and Financial Performance Overview

In the financial year ending 31/03/2026, Argent achieved its 8th consecutive year of earnings growth, demonstrating a robust financial trajectory despite a challenging macroeconomic landscape. Revenue rose to R2 839 163 000, a significant increase from R2 635 638 000 in the previous period. The group reported an Operating Profit of R405 518 000, up from the previous year's R370 172 000. Profit before Tax reached R410 539 000, culminating in a Net Profit After Tax (NPAT) attributable to owners of R293 061 000. Headline earnings per share (HEPS) grew by 9.1% to 538.2 cents, supporting a total dividend declaration of 141.0 cents per share for the year.

Operationally, the group's performance was bolstered by its international manufacturing platforms. In the United Kingdom, fuel storage and transfer entities exceeded sector growth, while Mersey Container Services is expanding into a new 5 850.0 m^2 facility to meet demand. The North American operations, specifically New Joules Engineering and Xpanda Canada, delivered "exceptional" results. In South Africa, the group capitalised on construction growth in the Western Cape through Megamix and Villiersdorp Quarry. However, the steel trading segment showed volatility; Phoenix Steel Johannesburg recorded a loss, although recent import restrictions on cheap steel provide a more optimistic outlook for local trading.

Critically, Argent's financial success contrasts sharply with its sustainability and governance outcomes, as evidenced by its Active ESG Score of 32%, which triggers a recommendation for engagement with Argent's board under the diagnostic framework. While the Profit per Rand of CEO Pay ratio of 36 shows a technical correlation between executive rewards and profit, it remains far below the efficiency benchmark of 350.0, suggesting poor "worthiness" relative to the CEO Total Remuneration of R11 428 000.

Governance is undermined by a 0.0% female representation on the board and a 15.3-year average tenure, indicating a lack of diversity and board refreshment. The group's Employment & Labour score of 0% highlights a complete failure to disclose quantitative workforce demographics, turnover rates, or disability statistics, rendering its "equal opportunity" claims unverified. Furthermore, Environmental reporting is strictly qualitative; the company identifies risks like energy availability but provides no data on carbon emissions, energy usage, or water intensity, reflecting a failure in environmental stewardship. CSI spend remains marginal at R370 000, representing only 0.1% of NPAT.

Adverse Conditions

The group identified several systemic risks that threaten long-term stability:

- **South African De-industrialisation**: The decline in local manufacturing and capital spend is a direct threat to revenue, necessitating diversification into international markets.
- **Energy Crisis**: Lack of stable electricity in South Africa disrupts recovery, forcing Phoenix Steel Gauteng to face periodic operational halts.
- **Global Geopolitical Volatility**: Conflicts in the Middle East and shipping disruptions in the Strait of Hormuz present potential risks to operating and transport costs through increased fuel prices.
- **UK Uncertainty**: Economic and policy fluctuations in the UK contribute to inflationary pressures and weakened business confidence.

Anticipated and Planned Opportunities

Despite these headwinds, the group is aggressively pursuing growth:

- **Offshore Acquisitions**: Argent is currently conducting due diligence on a potential acquisition in the UK and has a "full pipeline" of international opportunities to mitigate South African market risks.
- **Vertical Integration**: The group continues to extract value from its self-sufficient, vertically integrated model, which protects against segment-specific economic swings.

THE ACTIVE SHAREHOLDER
ESG INDEX

Active Shareholder is developing a mechanism by which to score a company's ESG. The summary alongside is from a beta version currently being tested. The metrics used to evaluate the five different aspects of ESG are available upon request. While not all of these are regulated and some are aspirational, they all reflect Active Shareholder's goals for ethical, sustainable, and fair governance.

These insights have been used in part to arrive at the proxy recommendations that follow.

Active Shareholder

Argent Industrial Limited

31/03/2026

Number	Theme	Score	Total	%	Weighting
1	Governance	8.33	15	56%	28%
2	Remuneration	7.00	13	54%	24%
3	Employment & Labour	0.00	9	0%	17%
4	CSI	1.01	3	34%	6%
5	Environment	1.00	14	7%	26%
	Total	17.34	54	**32%**	100%

Active ESG Score = 32%

Active Shareholder ESG Index

Beta2.04 (2025) Created by LRS in conjunction with Active Shareholder

Score		*Consequence*
below 50	=	*Recommend engagement*
between 50 and 60	=	*Vote against Board Chair*
between 60 and 80	=	*Active commendation*
above 80	=	*Active endorsement*

RECOMMENDATION

Argent's overall ESG score of 32% triggers a recommendation for engagement with the board by Active Shareholder, reflecting critical deficiencies in board diversity and a near-total absence of quantified environmental and labour data.

1. Governance (56%)

Argent meets basic transparency requirements regarding profiles and attendance. However, it fails best practice by only "presenting" reports rather than submitting them for shareholder approval. The 0% female representation and excessive 15.3-year average tenure signal a stagnant board lacking diversity and fresh perspectives.

2. Remuneration (54%)

While bonuses correlate to operating profit, the one-year LTI vesting period is significantly shorter than the required four-year benchmark for long-term alignment. The exclusion of ESG metrics from bonus criteria and failure to disclose dividend rights on unvested shares undermine "vertical justice" and accountability. While the CEO's remuneration is technically correlated to operating profit trends, this specific outcome (a Profit per Rand of CEO Pay ratio of 36) suggests that the company's profit generation efficiency relative to executive cost is low.

3. Employment & Labour (0%)

A total failure in disclosure. The group provides zero quantitative data on workforce demographics (race, gender, disability), turnover rates, or union activity. This complete opacity prevents assessment against national equity targets and suggests a lack of commitment to broad-based employee empowerment or labour rights monitoring.

4. CSI (34%)

Spend is inadequate at 0.1% of NPAT, far below the 1% set out in Statement 500 of the B-BBEE Codes of Good Practice benchmark. Furthermore, contributing only 3.2% of the CEO's total remuneration fails Active's aspirational target of spend being five times executive pay. Social investment remains a marginal activity rather than a strategic integration.

5. Environment (7%)

Reporting is purely qualitative and borders on "greenwashing". Despite identifying risks, Argent provides no quantified data on carbon emissions, energy mix, or water intensity. The absence of external verification and time-bound management plans for waste and emissions reflects a failure in environmental stewardship.

THE ACTIVE SHAREHOLDER

PROXY RECOMMENDATIONS

	Resolution	Rationale	Vote	Outcome of AGM
Ordinary resolutions				
1	To re-elect Mr K Mapasa as an independent non-executive director	Appointed in 2019 (7-year tenure), Mapasa complies with the 9-year independence rule. A Chemical Engineer with Harvard training, he is currently CEO of Basil Read. His technical mining expertise and status as the sole Black director provide critical skills and essential demographic representation for the board.	FOR	FOR: 94.02%
2	To re-elect Mr PA Christofides as an independent non-executive director	Appointed 2016 (10-year tenure), Christofides exceeds Active's 9-year independence benchmark. A BCompt graduate and CEO of Polsa Holdings, he has extensive operational experience as former COO of Blue Label Distribution. Despite his experience, his long tenure and the board's 0% female representation warrant concern.	AGAINST	FOR: 99.45%
3	To re-elect Mr CD Angus as an independent non-executive director	Appointed 2016 (10-year tenure), Angus exceeds the 9-year independence rule. A Chartered Accountant (SA) and former Group FD, he provides necessary financial expertise as Audit Committee Chair. However, his length of service, alongside other long-tenured directors, contributes to a stagnant board average of 15.3 years.	AGAINST	FOR: 98.75%
4	To re-appoint Mr PA Christofides as a member of the audit and risk committee	Appointed in 2016 (10-year tenure), Christofides exceeds Active's 9-year independence rule. A BCompt graduate and CEO of Polsa Holdings, he brings distribution and operational expertise. His long tenure and the board's 0% female representation contribute to governance concerns regarding stagnation and diversity.	AGAINST	FOR: 99.45%
5	To re-appoint Mr K Mapasa as a member of the audit and risk committee	Appointed in 2019 (7-year tenure), Mapasa satisfies the 9-year independence rule. A Chemical Engineer with Harvard training, he is CEO of Basil Read. As the sole Black director, his presence is vital for demographic representation.	FOR	FOR: 94.02%
6	To re-appoint Mr CD Angus as a member of the audit and risk committee	Appointed 2016 (10-year tenure), Angus exceeds the 9-year independence limit. A Chartered Accountant (SA), he provides necessary financial oversight. As Audit Committee Chair, Active Shareholder's policy specifically dictates opposing his re-election because the company fails to submit the Audited Financial Statements for formal shareholder approval and adoption, opting only for "presentation" at the AGM.	AGAINST	FOR: 98.75%
7	To re-appoint Mr CD Angus as a member of the social and ethics committee	Appointed in 2016 (10-year tenure), Angus exceeds Active's 9-year independence limit. A CA(SA) with vast financial experience, his fitness is undermined by the group's dismal ESG disclosure scores. Active Shareholder recommends opposing the re-election of the entire committee because of the appalling scores.	AGAINST	FOR: 98.75%

	Resolution	Rationale	Vote	Outcome of AGM
8	To re-appoint Mr TR Hendry as a member of the social and ethics committee	CEO since 1997 (29-year tenure), Hendry is not independent. As SEC Chair, Active Shareholder specifically opposes his re-election because the SEC report is only "presented" to shareholders and rather than submitted for formal adoption, as this prevents shareholders from holding the committee accountable for performance. His leadership oversaw critical failures in environmental (7%) and employment (0%) disclosure scores. Active Shareholder recommends opposing the re-election of the entire committee because of the appalling ESG scores.	AGAINST	FOR: 99.45%
9	To re-appoint Mr K Mapasa as a member of the social and ethics committee	Appointed in 2019 (7-year tenure), Mapasa complies with independence rules and provides essential demographic representation as the sole Black director. However, Active Shareholder recommends opposing the re-election of the entire committee as a consequence of the appalling ESG scores.	AGAINST	FOR: 93.74%
10	Re-appointment of auditor	Ordinary Resolution 10 proposes Forvis Mazars South Africa with Mr B Frey as lead. Tenure (2 years) complies with the 10-year firm and 5-year partner rotation benchmarks. Active Shareholder notes that accountability is undermined as the board only "presents" financial statements for noting rather than formal adoption.	FOR	FOR: 100%
11	Unissued shares placed under control of the directors	Ordinary Resolution 11 seeks a general authority to place unissued shares, limited to 5% of the shares in issue as at 31 March 2026, under the control of the directors until the next AGM. This 5% threshold complies with the PIC's 5% limit and is well within ISS's 10% benchmark Granting discretionary capital power is problematic for a board that fails best-practice governance through 0% female representation and a stagnant 15.3-year average tenure. Furthermore, the group's total failure to disclose quantitative employment (0%) and environmental (7%) data undermines the board's accountability, making the extension of such authority inappropriate under Active's framework.	AGAINST	FOR: 93.43%
12	Approval of the Remuneration Policy	Argent Industrial's remuneration policy (Resolution 12) fails several best-practice benchmarks established by Active Shareholder (AS), ISS, and the PIC, primarily regarding "vertical justice" and long-term alignment. **LTI and Alignment Deficiencies** A critical failure is the one-year vesting period for tranches under the Argent Share Option Scheme. This is significantly shorter than the four-year minimum mandated by AS or the three-year benchmark required by ISS and the PIC to ensure long-term shareholder alignment. Furthermore, the policy lacks disclosure on whether unvested options carry rights to dividends, a transparency requirement under Active Shareholder guidelines.	AGAINST	FOR: 92.67%

	Resolution	Rationale	Vote	Outcome of AGM
		Absence of ESG Metrics The policy explicitly focuses bonuses on financial metrics like trading profit and HEPS growth but excludes ESG targets from formal bonus criteria. This **contradicts** AS, PIC, and King IV recommendations, which state that remuneration should be linked to the delivery of the organisation's sustainability strategy and management of its social and environmental impacts. **Vertical Justice and Efficiency** The diagnostic "Profit per Rand of CEO Pay" ratio of 36 is far below the AS efficiency benchmark of 350–1000. While the group achieved growth, the CEO's total remuneration of R11.4 million represents a 46% increase from 2025, which appears excessive relative to the R370 000 spent on CSI (only 3.2% of the CEO's pay). **Governance and Independence** The policy notes that the CEO and FD attend Remuneration Committee meetings by standing invitation. Best practice guidelines specify that executives should not have standing invitations and should only attend when their specific input is required to avoid compromising the committee's independence. **Voting recommendation** Given the inadequate LTI vesting periods, the failure to integrate ESG metrics, and poor vertical justice outcomes, the policy does not promote fair or sustainable value creation. Active Shareholder cannot support the resolution.		
13	Approval of Argent's Remuneration Report	Argent Industrial's 2026 remuneration report (Resolution 13) reflects a critical disconnect between executive reward and stakeholder value, contributing to its poor 32% ESG score and Active Shareholder's recommendation for disinvestment. **Vertical Injustice and Excessive Increases** A primary concern is the 46.3% increase in CEO total remuneration – from R7.8 million to R11.4 million. This increase vastly outpaces the group's 9.5% operating profit growth and the reported 6% inflationary adjustment for general staff. This imbalance fails the AS benchmark for alignment with company results. Furthermore, the diagnostic "Profit per Rand of CEO Pay" ratio of 36 is significantly below the AS efficiency threshold of 350, indicating poor "worthiness" of executive pay, relative to profit generation. **Implementation and Disclosure Gaps** While the report provides single-figure remuneration and a top 5% versus bottom 5% pay ratio (26.61:1), it fails several critical transparency tests: • **Pay Differentials:** There is no disclosure of pay ratios for women compared to men or	AGAINST	FOR: 98.64%

	Resolution	Rationale	Vote	Outcome of AGM
		differentials by race, both of which are required by Active Shareholder to monitor equity. • **CSI vs. Pay:** Total CSI spend (R370 000) represents a mere 3.2% of the CEO's pay. This falls drastically short of the AS aspirational target where social investment should be five times executive remuneration. **LTI Alignment Deficiencies** The report confirms the continued use of a one-year vesting period for share tranches. AS, PIC, and ISS guidelines strictly require LTIs to have a minimum three to four-year horizon to ensure long-term shareholder alignment. Additionally, the failure to disclose whether unvested shares carry dividend rights undermines accountability. **Conclusion** The implementation of the remuneration policy lacks "vertical justice," fails to quantify progress on race/gender pay equity, and rewards executives disproportionately to profit growth and social investment. Consequently, the report does not demonstrate responsible value creation, and a vote against Resolution 13 is recommended.		
14	Share repurchases by the company and its subsidiaries	Ordinary Resolution 14 seeks a general authority for Argent and its subsidiaries to repurchase up to 20% of the company's issued share capital. While this 20% limit complies with the JSE Listings Requirements and ISS guidelines, it significantly exceeds the PIC's 5% benchmark for general authorities. **Active Shareholder Policy** Active Shareholder (AS) generally opposes share repurchases in the market, as they can treat shareholders unequally; AS explicitly prefers a general pro-rata offer to all shareholders. Granting a board that lacks demographic diversity (0% women) and fresh perspectives (15.3-year average tenure) additional discretionary power over capital allocation is contrary to Active Shareholder's accountability framework. **Prior Usage and Accountability** During the 2026 financial year, the group utilised its previous authority to repurchase and cancel 1 278 013 shares at a cost of R39 million. AS notes that Argent continues to only "present" its Annual Financial Statements and Social and Ethics reports rather than submitting them for formal shareholder adoption, reflecting a persistent deficit in transparency and accountability. Given these reservations and the policy preference for pro-rata distributions to ensure shareholder equality, a vote against Ordinary Resolution 14 is consistent with Active Shareholder's guidelines.	AGAINST	FOR: 99.36%

	Resolution	Rationale	Vote	Outcome of AGM
Special resolutions				
1	Remuneration of non-executive directors	Special Resolution 1 proposes 2026 fees for non-executive directors, generally reflecting a 6% inflationary increase. However, Argent pays only annual retainers and no attendance fees. This fails Active Shareholder's (AS) requirement that attendance fees be a meaningful component of remuneration to ensure commitment. More critically, Argent's dismal governance is further undermined by 0% female representation and a stagnant 15.3-year average tenure, reflecting a failure to address diversity and board refreshment. Rewarding a board that oversees total disclosure failures in Employment and Labour (0%) and Environment (7%) is inconsistent with AS's accountability framework. Consequently, a vote against SR 1 is recommended to hold the board accountable for its persistent sustainability and governance deficits.	AGAINST	FOR: 99.44%
2	Inter-company loans	Special Resolution 2 seeks general authority for inter-company financial assistance. While usually non-contentious for subsidiaries, Active Shareholder Argent's poor 32% ESG score raises deep concerns. In our view granting discretionary capital authority is inappropriate for a board failing diversity targets (0% women), maintaining stagnant tenure (15.3 years), and overseeing total disclosure failures in environmental (7%) and labour (0%) stewardship.	AGAINST	FOR: 99.44%

AGM OUTCOME

Shareholders are hereby advised that at the annual general meeting of the Company held at 11:00 today, 30 July 2026, in the Company's boardroom at First Floor, Ridge 63, 8 Sinembe Crescent, La Lucia Ridge Office Estate, Umhlanga ("AGM"), all of the resolutions were passed by the requisite majorities of the Company's shareholders.