

Update to MD/CEO and Non-Executive Director Remuneration Arrangements

Adrad Holdings Limited ('ASX: AHL', 'Adrad' or the 'Company') advises that the Board has approved changes to the remuneration arrangements of its Managing Director/Chief Executive Officer, and a one-off incentive payment to a Non-Executive Director, as outlined below.

Managing Director / CEO Incentive

The Company has put in place an Executive Incentive Agreement with Mr Paul Proctor, Managing Director (MD) and Chief Executive Officer (CEO), to introduce a cash incentive component aligned with the Company's performance and shareholder outcomes. The Company wishes to incentivise the MD to contribute to the Company's long-term growth and share value.

Key terms:

The Board considers the revised structure to be appropriate and aligned with the Company's strategic objectives.

Type:	Cash
Performance period:	From 1 September 2025 to 31 August 2027
Eligibility condition:	The MD/CEO must remain continuously employed by the Company for the duration of the performance period.
Performance condition:	A minimum 15% uplift in value must be achieved at the end of the performance period.
Uplift in value:	Calculated as Uplift Valuation less Base Valuation, where the Base Valuation is AUD \$60 million, based on a share price of \$0.74 per share.
Incentive calculation:	6% of the uplift in value up to and including an incentive payment up to an agreed threshold; and 3% of any uplift in value above the agreed threshold.
MD/CEO entitlement:	The MD/CEO is entitled to two-thirds (2/3) of the total incentive amount calculated.
Payment timing:	Within 90 days following the end of the performance period.
Nature:	One-off, non-recurring.

The Board considers the incentive payment to be appropriate and aligned with the Company's strategic objectives and shareholder value creation.

Non-Executive Director One-Off Incentive

The Board has approved a one-off cash incentive payment to Mr Donald McGurk, Non-Executive Director and Chairman.

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Key terms:

Type:	Cash
Performance period:	From 1 September 2025 to 31 August 2027
Eligibility condition:	The Chairman must remain continuously employed by the Company for the duration of the performance period.
Performance condition:	A minimum 15% uplift in value must be achieved at the end of the performance period.
Uplift in value:	Calculated as Uplift Valuation less Base Valuation, where the Base Valuation is AUD \$60 million, based on a share price of \$0.74 per share.
Incentive calculation:	6% of the uplift in value up to and including an incentive payment up to an agreed threshold; and 3% of any uplift in value above the agreed threshold.
Chairman entitlement:	The chairman is entitled to one-third (1/3) of the total incentive amount calculated.
Payment timing:	Within 90 days following the end of the performance period.
Nature:	One-off, non-recurring.

The Board acknowledges that performance-based incentives for Non-Executive Directors are not standard governance practice. This payment is considered exceptional and will not form part of ongoing director remuneration.

The final amount of the incentive is dependent on performance and may or may not exceed the Company's approved Non-Executive Director fee pool. Accordingly, the Company may seek shareholder approval under ASX Listing Rule 10.17, to the extent required.

This announcement is authorised for release by the Board of Directors of Adrad Holdings Limited.

Contacts

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For more information, please visit <http://adradholdings.com.au/>

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