

CORPORATE GOVERNANCE STATEMENT



Wagners Holding Company Limited
ACN 622 632 848

Wagners Holding Company Limited is committed to achieving and demonstrating the effective and high standards of corporate governance. Wagners Holding Company Limited has reviewed its corporate governance practices against the *Corporate Governance Principles and Recommendations (4th edition)* published by the ASX Corporate Governance Council (**Recommendations**). A description of Wagners Holding Company Limited's current corporate governance practices is set out in the Wagners Holding Company Limited's corporate governance statement, which can be viewed on the Wagners website at <https://investors.wagner.com.au/corporate-governance>.

The 2021 Corporate Governance Statement was approved by the Board and is current as at 23 September 2021. It reflects the corporate governance practices in place throughout the 2021 financial year. The Company will update its corporate governance practices as required and measure against the *Corporate Governance Principles and Recommendations (4th edition)* during the 2022 financial year.

The following statement explains how Wagners Holding Company Limited complies with the Recommendations and any reasons where there may be non-compliance. The Board is of the opinion that except as otherwise detailed in this statement, it complies with the Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Principles and recommendations	Wagners' practice with reference to recommendation
<p>1.1 A listed entity should have and disclose a Board charter setting out:</p> <ul style="list-style-type: none">(a) the respective roles and responsibilities of its Board and management; and(b) those matters expressly reserved to the Board and those delegated to management.	<p>The Board is responsible for the overall corporate governance of Wagners.</p> <p>The role of the Board and delegation to management has been formalised in the Corporate Governance Charter which outlines the main corporate governance practices in place for Wagners. The Charter sets out the matters specifically reserved for the Board and the powers delegated to its management. The Board and each Director is committed to the Charter. The Board delegates responsibility for day-to-day management of Wagners to the CEO but retains responsibility for the overall strategy and risk profile of Wagners.</p> <p>The conduct of the Board and management is also governed by Wagners' constitution, and where there is inconsistency with that document, the constitution prevails to the extent of the inconsistency. The Charter will be reviewed and amended from time to time as appropriate, taking into consideration practical experience gained in operating as a listed company.</p>
<p>1.2 A listed entity should undertake appropriate checks before appointing a person as a Director or senior executive or putting someone forward for election as a Director, and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	<p>Wagners has completed police checks, insolvency, and banned Director searches in relation to the existing Directors. Wagners has a policy that before any senior executive is appointed, appropriate police, insolvency, and any other appropriate checks are undertaken.</p> <p>The Nomination Committee is responsible for providing recommendations to the Board regarding the appointment of a new Director. The Nomination Committee is responsible for ensuring appropriate checks are conducted for future appointments as part of that process prior to any recommendation being made.</p> <p>Wagners provides its security holders with information relevant to a shareholder's decision to appoint or re-elect a Director in the Notice of Meeting for Wagners' Annual General Meeting (AGM).</p>
<p>1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	<p>Wagners has entered into written agreements with each Director and senior executive setting out the terms of their appointment.</p>
<p>1.4 The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	<p>This is consistent with the Charter and corporate structure of Wagners. Through the Chairman, Wagners' Company Secretary has a direct relationship with the Board on all matters to do with the proper function of the Board and operates independently of the executive.</p>

Principles and recommendations

Wagners' practice with reference to recommendation

1.5 A listed entity should:

- (a) have and disclose a diversity policy and disclose the policy;
- (b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and
- (c) disclose in relation to each reporting period:
 - (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act

Wagners Board has adopted a Diversity Policy (a copy of which is on Wagners website). The Diversity Policy requires the Board to set measurable objectives for obtaining diversity goals. The Board reviews and measures the diversity statistics obtained through its gender reporting requirements and will use that information to improve diversity. The objectives are implemented by internal review and regular reporting to the Board of the engagement of staff with difference divisions of the Company.

Wagners has complied with its reporting requirements as a relevant employer under the *Workplace Gender Equality Act 2012* with the most recent indicators published in the 2021 compliance report.

1.6 A listed entity should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors and, at the end of each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

At least once per year, performance of the Board, committees and individual Directors is reviewed and assessed. The requirement for these reviews is set out in the Corporate Governance Charter. The Chairman, with assistance from the Nomination Committee, annually assesses the performance of Directors. The Chairman's performance is assessed by the other Directors.

1.7 A listed entity should have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and disclose for each reporting period whether such performance evaluation was undertaken in that period.

The Board's broad function is to formulate strategy and set financial targets for Wagners, monitor the implementation and execution of strategy and performance against financial targets, appoint and oversee the performance of executive management, and generally take an effective leadership role in relation to Wagners. The Chairman, with assistance from the Nomination Committee, assesses the performance of senior executives annually.

The Board evaluated the performance of senior executives during 2021 and any relevant disclosure around this process is set out in the Remuneration Report.

This process will continue for future reporting periods and Wagners will ensure that appropriate disclosures in the Remuneration Report are made in relation to each reporting period as to the reviews that were undertaken and the processes followed.

PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Principles and Recommendations	Wagners Practice with Reference to Recommendation
<p>2.1 The Board of a listed entity should:</p> <p>(a) have a Nomination Committee, which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director.</p> <p>and disclose</p> <p>(3) the Charter of the Committee;</p> <p>(4) the members of the Committee; and</p> <p>(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board has established a Nomination Committee which is responsible for assisting the Board to fulfil its corporate governance responsibilities regarding nomination matters. The Committee has at least three members, a majority of whom are independent Directors. The Committee is currently chaired by Denis Wagner, who is not an independent Director. However, having regard to Denis Wagner's background and history with the Company, the Board considers it appropriate that he act as Chairman of the Nomination Committee.</p> <p>The Nomination Committee Charter outlines the Committee's authority, duties, responsibility and relationship with the Board and is available on Wagners' Investor Website.</p> <p>The 2021 Annual Report provides details on the members of the Nomination Committee, the number of times the Committee met throughout the relevant period, and the individual attendances of the members at those meetings.</p>
<p>2.2 A listed entity should have and disclose a Board skills matrix, setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	<p>Wagners aims to have an appropriate mix of expertise and experience on its Board and committees so the Board can discharge its corporate governance and oversight responsibilities. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to Wagners and its business, and intend to formalise and disclose its skills matrix.</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the Directors that the Board considers to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director.</p>	<p>The Corporate Governance Charter sets out the criteria adopted by the Board for considering if a Director is independent. Ross Walker (appointed 2 November 2017) and Lynda O'Grady (appointed 8 November 2017) are considered independent Directors.</p> <p>The Board notes the following Directors have a relationship of the type described in Box 2.3 and are deemed to be not independent for the purposes of the Guidelines:</p> <ul style="list-style-type: none"> » Denis Wagner (appointed 2 November 2017) — Denis holds a substantial interest in the Company. » John Wagner (appointed 2 November 2017) — John holds a substantial interest in the Company. <p>The Board is of the opinion that Denis and John Wagners' positions as substantial holders of Wagners aligns the interests of the Directors with those of other security holders and does not compromise their capacity to bring an independent judgment to bear on issues before the Board. The Board believes that the current Board structure allows it to act in the best interests of the Company and all security holders.</p>
<p>2.4 A majority of the Board should be independent Directors.</p>	<p>The Company currently has a four-member Board, of whom two (Ross Walker and Lynda O'Grady) are independent Non-executive Directors. Having regard to the size and nature of the Company, the Board has determined that it is sufficient to have four Directors at this time.</p>
<p>2.5 The Chair of the Board should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman, Denis Wagner is not the CEO. While Denis Wagner is not an independent Director, having regard to his background and history with the Company, the Board considers it appropriate that he acts as Chairman.</p>

Principles and Recommendations

2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

Wagners Practice with Reference to Recommendation

The Company has an induction program in place for new Directors. Directors are also given access to continuing education in relation to Wagners' business, its industry, and any other information required by them to discharge the responsibilities of their office. This is consistent with the Corporate Governance Charter and is the process implemented by Wagners.

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Principles and Recommendations

3.1 A listed entity should articulate and disclose its values.

Wagners Practice with Reference to Recommendation

Wagners strives for intrepid progress to achieve beneficial outcomes. Wagners operates in accordance with the following guiding principles which are published on its website:

- » Deal with **I**ntegrity
- » Work **T**ogether to overcome challenges
- » Work in a **S**afe environment
- » Be **F**amily conscious
- » Encourage and **A**cknowledge success
- » Foster **I**nnovation
- » **R**equire quality and excellence

"IT'S FAIR"

3.2 A listed entity should:

- (a) have and disclose a code of conduct for its Directors, senior executives and employees; and
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.

Wagners has adopted a code of conduct, which sets out a framework to enable its Directors, senior executives, and employees to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance. The Board is made aware of any material breaches of the code.

3.3 A listed entity should:

- (a) have and disclose a Whistleblower Policy; and
- (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy

Wagners has adopted a Whistleblower Policy which manages whistleblower disclosures and provides clarity about how Wagners supports and protects whistleblowers when a disclosure is made, including the requirement to ensure the Board is informed of any material incidents reported. The Whistleblower Policy is available on Wagners' Investor website.

3.4 A listed entity should:

- (a) have and disclose an Anti-bribery and Corruption Policy; and
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.

Wagners prohibits all forms of bribery and corruption and is committed to prevention, detection and initiatives to eliminate bribery and corruption. The anti-bribery and anti-corruption policy is available on Wagners' Investor website. The policy explains the terms bribery and corruption, outlines employees' responsibilities, the importance of a compliance program, and the reporting process where employees detect instances of bribery and corruption. The Board are informed of any material breach of the policy

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Principles and Recommendations	Wagners Practice with Reference to Recommendation
<p>4.1 The Board of a listed entity should:</p> <p>(a) have an Audit Committee which:</p> <p>(1) has at least three members, all of whom are Non-executive Directors and a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, who is not Chair of the Board.</p> <p>and disclose:</p> <p>(3) the Charter of the Committee;</p> <p>(4) the relevant qualifications and experience of the members of the Committee; and</p> <p>(5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an Audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Wagners has established an Audit and Risk Management Committee. The Audit and Risk Management Committee comprises of three Non-executive Directors, two of whom are independent Directors. The Chair of the Audit and Risk Management Committee is an independent Non-executive Director. Wagners has an Audit and Risk Management Committee Charter which is available on Wagners' Investor Website.</p> <p>The primary objective of the Audit and Risk Management Committee is to ensure:</p> <ul style="list-style-type: none">» effective management of financial and other material business risks;» reliable management and financial reporting, including half and full year accounts;» compliance with laws and regulations; and» maintenance of an independent, effective and efficient audit. <p>The 2021 Annual Report provides:</p> <ul style="list-style-type: none">» the members of the Audit and Risk Management Committee;» the relevant qualifications and experience of the members of the Committee;» the number of times the Committee met throughout the relevant period; and» the individual attendances of the members at those meetings.
<p>4.2 The Board of a listed entity should, before it approves the financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>This is consistent with the approach adopted by the Audit and Risk Management Committee and Board. The Board requires and receives declarations and management representations in respect of the financial records and information of the business from the CEO and CFO for both the half-year and full-year results.</p>
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Wagners' external auditor audits and reviews any periodic corporate report Wagners releases to the market.</p>

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Principles and Recommendations	Wagners Practice with Reference to Recommendation
5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Wagners has a written Continuous Disclosure Policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules. The policy is available on Wagners' Investor website. Each Board meeting considers whether any continuous disclosure issues arose during the meeting.
5.2 A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	A copy of all material market announcements is provided to the Board prior to or simultaneously with the release of the relevant announcement.
5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Any new and substantive investor presentations are released on the ASX Market Announcement Platform ahead of the presentation. Wagners provides dial-in-details to all security holders for investor presentations published on the ASX Announcements Platform. Wagners also provides security holders with dial-in-details and links to a live webcast for the AGM.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Principles and Recommendations	Wagners Practice with Reference to Recommendation
6.1 A listed entity should provide information about itself and its governance to investors via its corporate website.	Wagners has a website (www.wagner.com.au) which provides information about the Company, the Directors, executives, the Corporate Governance Charter, other applicable policies and any other information relevant to its investors.
6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Wagners aims to ensure that all security holders are well-informed of all major developments affecting Wagners and is committed to facilitating effective communication with investors as a means of providing a better understanding of the Wagners' business, governance, and its financial performance. Key aspects of Wagners' investor relations framework include: <ul style="list-style-type: none">» facilitation of full participation by security holders at the Company's AGM;» two-way investor teleconferences held on reporting half-year and full-year financial results;» periodic investor relations roadshows for institutional investors; and» contact details provided on market announcements where investors can seek further information.
6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Wagners facilitates effective participation in the AGM and encourages security holders to attend and actively participate in the meeting, including providing the ability to submit written questions ahead of the AGM. Wagners adopts appropriate technologies to facilitate the effective communication and conduct of general meetings.
6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	All substantive resolutions at a meeting of security holders are decided by a poll and not a show of hands.
6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.	Wagners has instructed its Share Registry to facilitate this option for investors, as well as future security holders at appropriate times. Security holders may contact Computershare on 1300 850 505 (Australia) or +61 3 9415 4000 should they wish to elect to receive communications electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Principles and Recommendations	Wagners Practice with Reference to Recommendation
<p>7.1 The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director</p> <p>and disclose:</p> <p>(3) the Charter of the Committee; and</p> <p>(4) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) it does not have a Risk Committee or Committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Wagners has an Audit and Risk Committee which is responsible for overseeing the Wagners risk management framework. The Audit and Risk Management Committee comprises of three Non-executive Directors, two of whom are independent Directors. The Chair of the Audit and Risk Management Committee is an independent Non-executive Director. Wagners has an Audit and Risk Management Committee Charter which is available on Wagners' Investor Website.</p> <p>Wagners also has a dedicated Risk Management Committee, which is a subcommittee of the Audit and Risk Management Committee. The role of both the Risk Committee and ultimately the Audit and Risk Committee is to review and make recommendations to the Board in relation to:</p> <ul style="list-style-type: none"> » the adequacy of the entity's policies and processes for managing risk; » any incident involving fraud or other break down of the entity's internal controls; and » the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business. <p>The 2021 Annual Report provides:</p> <ul style="list-style-type: none"> » the members of the Risk Management Committee; » the relevant qualifications and experience of the members of the Committee; » the number of times the Committee met throughout the relevant period; and » the individual attendances of the members at those meetings.
<p>7.2 The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board, with the assistance of the Audit and Risk Management Committee, is responsible for the Company's risk management framework. The Audit and Risk Management Committee has endorsed the risk management framework, has reviewed the framework with management, and will continue to undertake this review annually to satisfy itself that the framework continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board. The annual review for 2021 has commenced and will be completed prior to the end of the calendar year.</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs;</p> <p>(b) or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Wagners does not have a formal internal audit function, however it employs appropriate processes for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes as set out in the Audit and Risk Management Committee Charter.</p> <p>The Board believes it, and the Audit and Risk Committee, have appropriate oversight of the Company's existing operations and risks.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Audit and Risk Management Committee evaluates, reports and provides assurance to the Board in respect of any identified material exposure to environmental or social risks. In particular, the Audit and Risk Management Committee:</p> <ul style="list-style-type: none"> » identifies and manages relevant risks that are material to Wagners; » complies with legal and regulatory requirements; » reports to the Board on the effectiveness of any response to incidents, risks and hazards; and » reports to the Board regarding the independent assurance and audit process and the outcomes of that process. <p>Wagners' 2021 Annual Report provides all information that security holders would reasonably require to assess any material exposure to environmental or social risks that could adversely affect Wagners.</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Principles and Recommendations	Wagners Practice with Reference to Recommendation
<p>8.1 The Board of a listed entity should:</p> <p>(a) have a Remuneration Committee which:</p> <p>(1) has at least three members; and</p> <p>(2) is chaired by an independent Director.</p> <p>and disclose:</p> <p>(3) the Charter of the Committee;</p> <p>(4) the members of the Committee; and</p> <p>(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Wagners has a Remuneration Committee. The Committee consists of three members, a majority being independent Directors, and the Committee is chaired by an independent Director. The Remuneration Committee is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to remuneration matters.</p> <p>The Remuneration Committee Charter outlines the Committee's authority, duties, responsibility and relationship with the Board and is available on Wagners' Investor Website.</p> <p>The 2021 Annual Report provides:</p> <ul style="list-style-type: none">» details on the members of the Remuneration Committee;» the number of times the Committee met throughout the relevant period; and» the individual attendances of the members at those meetings.
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors, and the remuneration of executive Directors and other senior executives.</p>	<p>Wagners has adopted remuneration policies which comply with the Guidelines, including separately disclosing the remuneration of Non-executive Directors, and the remuneration of Executive Directors and other senior executives in the 2021 Annual Report.</p> <p>No Director or senior executive is involved directly in deciding their own remuneration.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it</p>	<p>Wagners operates a Long-term Incentive (LTI) Plan, Exempt Plan, and Short-term Incentive Plan (STI) Plan. In accordance with Wagners' Securities Trading Policy, participants are not permitted to enter into transactions which limit economic risk without written clearance. The Securities Trading Policy is available on the Wagners' Investor Website.</p> <p>Wagners 2021 Annual Report provides a summary of the key terms of the LTI Plan and STI Plan.</p>