

2025 Corporate Governance Statement

This statement explains how Waterco Limited ACN 002 070 733 (**Waterco or Company**) has complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition, published February 2019 (**ASX Recommendations**), during the financial year ended 30 June 2025 (**Reporting Period**).

All Waterco charter, codes and policy documents referred to in this statement are available in the Corporate Governance section of the Company's website, www.waterco.com.au

This statement has been adopted by the Board as current as of 25 August 2025.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 1.1 Role of Board and management | <p>The Board Charter sets out the roles and responsibilities of the Board. The Board is ultimately responsible for the growth, strategic direction and success of the Company and has set out specific matters reserved for its decision and matters delegated to the management.</p> <p>The Board Charter is available in the Corporate Governance section of the Company's website, www.waterco.com.au</p> |
| 1.2 Information regarding election and re-election of director candidates | <p>The Company has in place a policy for nomination and appointments of directors. Before appointing a director, the Company undertakes appropriate checks on a candidate for directorship and will provide all material information in its possession to its shareholders to make a decision on whether or not to elect or re-elect a director.</p> <p>When considering the re-election of an incumbent director or election of a new director, the Board takes into account the following:</p> <ul style="list-style-type: none">(a) business experience, particularly in respect of the industries in which the Company operates;(b) standing in the community;(c) education and qualifications;(d) experience in environmental sustainability;(e) checks against the person's character, criminal record and bankruptcy history;(f) availability and other directorships;(g) the possession of particular skills such as finance, marketing or risk management;(h) whether the appointment or re-appointment will contribute positively to the skill set and diversity of the Board as a whole. |
| 1.3 Written appointment | <p>In addition to being set out in the Board Charter, the letters of appointment executed with all directors describe the key duties and responsibilities of each member of the Board, and further include the terms of appointment, remuneration, time commitment envisaged, expectations regarding committee work, the requirement to disclose directors' interests and confidentiality obligations.</p> <p>Mr Soon Sinn Goh has an employment agreement with the Company as the Group CEO. As Mr Goh spends a majority of his time developing and enhancing manufacturing capabilities in Malaysia and sales in various entities other than Australia and New Zealand, he also has a letter of employment with Waterco (Far East) Sdn Bhd setting out his role in Malaysia and a letter of employment with Waterco International Pte Ltd for his role in Singapore.</p> <p>Senior executives (defined by the Company as Key Management Personnel) have written employment agreements setting out a description of key duties and responsibilities, reporting lines, remuneration and termination rights.</p> |

- 1.4 Company Secretary** The Company Secretary is appointed by and is accountable directly to the Board through the Chairman and has responsibility for:
- (a) advising the board and its committees on governance matters;
 - (b) monitoring whether board and committee policy and procedure are being followed;
 - (c) coordinating timely completion of board and committee papers;
 - (d) ensuring that business conducted at board and committee meetings are accurately recorded in the minutes; and
 - (e) helping to organise the induction and professional development of directors.

Each director is able to communicate directly with the Company Secretary and vice versa.

- 1.5 Diversity** The Board recognises diversity and inclusion as strengths and adopted a Diversity Policy for the Company which includes an express requirement for the Board to set measurable objectives for achieving gender diversity.

The Diversity Policy is available at the Corporate Governance section of the Company's website, www.waterco.com.au. In accordance with the Diversity Policy, the Board set objectives for achieving gender diversity across its organisation.

The measurable objectives for the Reporting Period were:

| | Measurable objective for the Reporting Period |
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| Women on the Board | 20% |
| Women in senior executive positions (excluding Board Members) | 20% |
| Women employees in the Company | 35% |

The Board assessed the progress towards these objectives during the Reporting Period by reviewing the relative proportion of women and men in the Company's workforce at all levels. During the Reporting Period, the Company has met the measurable objectives for women on the Board with 1 female Director out of 5 Directors on the Board; and 1 female senior executive out of 3 senior executives of the Company (defined by the Company as Key Management Personnel). However, the Company did not meet the measurable objective for total women employed. As at 30 June 2025, women represented 30.1% of the overall workforce in the Company. The Company will continue to work towards achieving the target measurable objective.

- 1.6 Board reviews** The Board is committed to an ongoing internal process of performance evaluation of the Board, its committees and individual directors to ensure the diligent and effective discharge of responsibilities and a consistent mindset in improving corporate governance practices. The Board undertakes performance evaluations by way of evaluation forms.

The Board has undertaken an evaluation of the performance of the Board, its committees and individual directors for the Reporting Period.

- 1.7 Management reviews** The Company is committed to an ongoing internal process of performance evaluation of Key Management Personnel to ensure the diligent and effective discharge of their responsibilities. The Group CEO has undertaken a performance evaluation review of Key Management Personnel for the Reporting Period.

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

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 2.1 Nominations Committee | <p>The Company has not established a Nomination Committee. The ASX Recommendations acknowledge that such committees may not be required for smaller boards. The Board is of the opinion that it is appropriate for a company the size of Waterco for matters that come under the purview of a Nomination Committee to be undertaken by the Board through the Remuneration Committee. Furthermore, the Board has established processes in place to raise and address issues that would otherwise be considered by a Nomination Committee.</p> <p>The Board comprises an Executive Chairman who is also the Group CEO, an Executive Director and three Non-Executive Directors. The Board views each of the three Non-Executive Directors as being independent.</p> <p>The Board's membership is reviewed periodically to ensure that it maintains an appropriate mix of skills, qualifications and experience. In particular, the Board has identified skills and experience in corporate finance, international trade and international business environment, marketing and accounting and technical and industry knowledge in the water treatment and pool industries to be important. The Board composition represents diversity in gender, age, ethnicity and background.</p> <p>At each Annual General Meeting (AGM), one third of the directors (excluding the Group CEO) and any director appointed to fill a casual vacancy since the previous AGM must retire but may stand for re-election.</p> <p>The Company achieved its preferred Board composition of at least five directors during the Reporting Period, with a majority of Non-Executive (and, where possible, independent) Directors.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.2 Board skills matrix | <p>Below is the matrix of skills and attributes that Waterco is aiming to achieve across its Board membership. This matrix was adopted by the Board on 1 July 2020. The Board aims to improve some areas, such as legal and engineering experience.</p> <table> <tr> <th>General</th><th>Governance</th></tr> <tr> <td>Executive and Non-Executive experience</td><td>Governance committee experience</td></tr> <tr> <td>Leadership</td><td>Risk management experience</td></tr> <tr> <td>Strategic thinking</td><td>Knowledge of ethical and fiduciary duties</td></tr> <tr> <td>Industry experience (local & global)</td><td>Commitment to environmental protection and sustainability</td></tr> <tr> <td></td><td>Corporate responsibility, health and safety</td></tr> <tr> <td></td><td>Stakeholder engagement</td></tr> </table> <table> <tr> <th>Technical</th><th>Diversity</th></tr> <tr> <td>Legal</td><td>Female</td></tr> <tr> <td>Financial</td><td>Male</td></tr> <tr> <td>Engineering</td><td>Different ethnicities and cultures</td></tr> <tr> <td>Human resources</td><td>Languages other than English</td></tr> <tr> <td>Regulatory and compliance experience</td><td></td></tr> </table> | General | Governance | Executive and Non-Executive experience | Governance committee experience | Leadership | Risk management experience | Strategic thinking | Knowledge of ethical and fiduciary duties | Industry experience (local & global) | Commitment to environmental protection and sustainability | | Corporate responsibility, health and safety | | Stakeholder engagement | Technical | Diversity | Legal | Female | Financial | Male | Engineering | Different ethnicities and cultures | Human resources | Languages other than English | Regulatory and compliance experience | |
| General | Governance | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive and Non-Executive experience | Governance committee experience | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leadership | Risk management experience | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic thinking | Knowledge of ethical and fiduciary duties | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Industry experience (local & global) | Commitment to environmental protection and sustainability | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Corporate responsibility, health and safety | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Stakeholder engagement | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical | Diversity | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Legal | Female | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial | Male | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engineering | Different ethnicities and cultures | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human resources | Languages other than English | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Regulatory and compliance experience | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 2.3 Disclose independence and length of service | <p>The names of the independent directors in office during the Reporting Period are:</p> <ul style="list-style-type: none"> (a) Ben Hunt; (b) Judy Raper; and (c) Wayne Beauman <p>The Company's assessment of the materiality of a director's interest is considered on a case by case basis by the Board. Where an entity associated with a Director provides services to the Company, the Board uses a threshold of \$100,000 in fees in a financial year as a guideline. However, the Board does not follow an inflexible set of criteria but considers whether the relationship in question is reasonably likely to interfere with that Director's independent judgement. Further details of the directors' skills, experience, expertise and lengths of service are set out in the Board of Directors' section of the Company's Annual Report.</p> |
| 2.4 Majority of directors independent | <p>A majority of the Board are independent directors, taking into account the factors relevant to "independence" under the ASX guidelines.</p> |
| 2.5 Independent Chair | <p>The roles of Chairperson and Group CEO are both held by Mr Soon Sinn Goh. The Board believes that Mr Goh brings a vital level of industry experience to the operations of the Company. Also, as the major shareholder of the Company, Mr Goh's commitment to the success of the Company is unquestionable. Therefore, it is the Board's opinion that it is appropriate in the Company's circumstances that the two roles be combined. With the majority of the Directors being independent, and with Independent Directors chairing the Audit and the Remuneration Committees, the Board is also of the opinion that it is not necessary that the office of Chairperson be held by an Independent Director.</p> |
| 2.6 Induction and professional development | <p>All new directors undergo an induction to familiarise them with the business of the Company, the Company's internal control and risk management practices and policies and procedures. The Company also seeks to provide appropriate professional development opportunities for directors, when required, to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> |

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

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 3.1 Statement of Values | The Board's statement of values can be found at the Corporate Governance section of the Company's website, www.waterco.com.au |
| 3.2 Code of conduct | The Board has established a Code of Conduct for directors, key management personnel and employees which is available at the Corporate Governance section of the Company's website, www.waterco.com.au |
| 3.3 Whistleblower policy | The Company encourages employees to speak up about unlawful, unethical or irresponsible behavior within the organisation through the Company's whistleblower policy which is available at the Corporate Governance section of the Company's website, www.waterco.com.au |
| 3.4 Antibribery and corruption policy | The Company is committed to conducting all dealings lawfully, ethically and in line with the Company's Statement of Values. The Company's antibribery and corruption framework enables it to prevent, detect and response to bribery and corruption risks. The policy is available at the Corporate Governance section of the Company's website, www.waterco.com.au |

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 4.1 Audit Committee | <p>The Audit Committee operates under the Audit Committee Charter.</p> <p>The role of the Audit Committee is to assist the Board with its oversight of the integrity of the financial statements, including overseeing the existence and maintenance of internal controls, accounting systems, and the financial reporting process. The Committee also nominates external auditors, reviews existing audit arrangements and co-ordinates external and internal auditing functions. In addition, the Audit Committee examines any other matters referred to it by the Board.</p> <p>Throughout the Reporting Period, the Audit Committee consisted of 3 Independent Non-Executive Directors and was headed by an Independent Chairperson who does not hold the position of Chairperson of the Board.</p> <p>The members of the Audit Committee during the Reporting Period were:</p> <ul style="list-style-type: none">(a) Wayne Beauman – Chairman;(b) Ben Hunt;(c) Judy Raper. <p>The number of Audit Committee meetings and details of Committee members' attendance are included in the Directors' Report section of the Company's Annual Report.</p> |
| 4.2 CEO and CFO certification of financial statements | <p>The Board has received a written statement from its Group CEO and Chief Financial Officer (CFO) which includes a declaration under section 295A of the Corporations Act 2001 (Cth) advising that:</p> <ul style="list-style-type: none">(a) in their opinion the Company's financial reports have been properly maintained and have complied with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance; and(b) the opinion has been formed based on a system of risk management and internal control adopted by the Board, and that this system is operating effectively. |

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| 4.3 Safeguard the integrity of corporate reports AGM | <p>The Company's annual financial report is audited by the Company's independent external auditor, RSM Australia Partners. Prior to Board approval of the financial report, the Board received the following from its external auditor:</p> <p>(a) Auditor's independence declaration confirming that there were no contraventions of the auditor independence requirements as set in the Corporations Act 2001 (Cth) (Corporations Act), and that there were no contraventions of any applicable code of professional conduct in relation to the audit; and</p> <p>(b) the independent external auditor's report to the shareholders of the Company.</p> <p>The Company is committed to providing transparent, concise and effective disclosure in all its corporate reporting, which includes verifying the integrity of all periodic corporate reports released to the market that are not audited or reviewed by its external auditor. The verification process undertaken involves internal review and approval by Senior Executives, the relevant Board Committee and the Board as a whole, as appropriate.</p> <p>The external auditor attends the AGM for the purpose of answering shareholder questions regarding the conduct of the audit and the preparation and content of the audit report.</p> |
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PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 5.1 Disclosure and Communications Policy | <p>The Company's Continuous Disclosure Policy sets out the rules and responsibilities for Waterco's officers and employees to ensure compliance with ASX Listing Rules and promote factual and timely disclosure of all material matters concerning the Company. The policy is available at the Corporate Governance section of the Company's website, www.waterco.com.au</p> |
| 5.2 Board to receive information on announcements | <p>To ensure that the Board has timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosures, the Board receives copies of all material market announcements promptly after they have been made.</p> |
| 5.3 Investor presentations | <p>Should the Company give a new and substantive investor or analyst presentation, it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> |

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 6.1 Information on website | <p>Waterco keeps investors informed by publishing information on the Company's website.</p> <p>All disclosures made to the ASX and all information provided to analysts or the media during briefings are promptly posted on the Company's website after they have been released to the ASX.</p> |
| 6.2 Investor relations programs | <p>The Company's Shareholder Communication Policy details the mechanisms put in place to ensure that the rights of shareholders are respected and to facilitate the effective exercise of those rights.</p> <p>The Shareholder Communication Policy contains information on persons whom shareholders can contact in relation to procedures at shareholders meetings, matters being considered at shareholders meetings and other issues. It also indicates the predominant sources for investors to engage with the Company at general meetings of the Company.</p> |
| 6.3 Facilitate participation at meetings of security holders | <p>Shareholders who are unable to attend any of the Company's meetings are encouraged to vote on the proposed motions by appointing a proxy. Proxy forms are included with meeting notices which also provides details on how proxy forms should be completed and submitted.</p> |
| 6.4 Substantive resolutions | <p>The Company ensures that all substantive resolutions at the shareholders' meeting are decided on a poll rather than by a show of hands.</p> |
| 6.5 Facilitate electronic communications | <p>The Company recognises the benefits of the use of electronic communications. Shareholders have the option of selecting to receive the following information electronically from the share registry: dividend statements; annual reports; notices of meetings and proxy forms and the ability to vote online; and other general company communications.</p> <p>With this in place, shareholders can log into their account to make changes to their communication preferences. The share registry can also be contacted via email or telephone. Contact details can be found on the Company's website.</p> |

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 7.1 Risk Committee | <p>The Company has not established a Risk Committee.</p> <p>The functions of the Risk Committee are performed by the Audit Committee who reports to the Board on the effectiveness of the risk management and internal control processes of the Company regularly by circulation of Minutes of Meetings to the directors and through other means of formal and informal reporting.</p> <p>Further details regarding the Audit Committee, its membership and the number of meetings held during the Reporting Period are set out in response to Recommendation 4.1.</p> |
| 7.2 Annual risk review | <p>The Board reviews the risk management framework of the Company periodically as and when necessary to meet the operational requirements of the Company and changes in the law through the Audit Committee. The Board has performed the review for the Reporting Period.</p> |
| 7.3 Internal audit | <p>The Company reviews and continually improves the effectiveness of its risk management and internal control processes.</p> <p>Further details regarding audit functions are set out in response to Recommendation 4.1.</p> |
| 7.4 Sustainability risks | <p>The Board considers that the Company is not materially exposed to environmental and social sustainability risks.</p> |

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

| RECOMMENDATION | WATERCO'S COMPLIANCE WITH ASX RECOMMENDATIONS |
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| 8.1 Remuneration Committee | <p>The Remuneration Committee is responsible for making recommendations to the Board on remuneration packages and policies for the Executive Directors and the Key Management Personnel. The Remuneration Committee Charter is published on the Company's website.</p> <p>During the Reporting Period, the Remuneration Committee consisted of three independent Non-Executive Directors and was headed by an independent Chairperson who does not hold the position of Chairperson of the Board.</p> <p>The members of the Remuneration Committee during the Reporting Period were:</p> <ul style="list-style-type: none">(a) Ben Hunt - Chairman;(b) Judy Raper; and(c) Wayne Beaman <p>The number of Remuneration Committee meetings and details of Committee members' attendance during the Reporting Period are set out in the Directors' Report section of the Company's Annual Report.</p> |
| 8.2 Disclosure of Executive and Non-Executive Director remuneration policy | <p>Remuneration packages for Executive Directors are set to include an appropriate balance of fixed remuneration and performance-based remuneration.</p> <p>Remuneration of the Company's Non-Executive Directors operates on different principles to the remuneration of Executive Directors. Non- Executive Directors receive fixed fees and do not participate in schemes designed for the remuneration of Executive Directors. Non-Executive Directors do not receive options or bonus payments, or retirement benefits other than statutory superannuation.</p> <p>The Remuneration Report at the Directors' Report section of the Annual Report sets out:</p> <ul style="list-style-type: none">(a) information about the Remuneration Policy developed by the Remuneration Committee and adopted by the Board; and(b) details of remuneration of the directors (executive and non-executive) and Key Management Personnel. |
| 8.3 Policy on hedging equity incentive schemes | <p>The Company did not offer any equity-based remuneration scheme during the Reporting Period. In the previous financial years, the Company issued employee share options (Options) to its executives under the Company's long term incentive plan.</p> <p>The Options vest in 3 tranches over three years from the issue date, subject to satisfaction of certain vesting conditions. Once vested, each Option entitles the holder to receive one fully paid ordinary share of Waterco.</p> <p>The Options are not transferable (except with the approval of the Board) or sold, assigned or otherwise disposed of or encumbered by the holders.</p> <p>Further details on Options are set out in the Notes of the Financial Statements accompanying the Financial Report.</p> <p>The holders of the Options are not permitted to enter into transactions which limit the economic risk of participating in long term incentive plan.</p> |