



# Remuneration Committee Charter

Waterco Limited

Adoption date: 1 July 2020

## 1. INTRODUCTION

### 1.1 ASX Recommendations

ASX Recommendation 8.1 requires the board of a listed entity to disclose the charter of its Remuneration Committee, which must clearly set out its role and confer on it all necessary powers to perform that role.

### 1.2 Purpose of the charter

The primary objective of this charter is to assist the Remuneration Committee in:

- (a) attracting, motivating and retaining Key Management Personnel who will create value for shareholders and who will support the Waterco mission;
- (b) ensuring that appropriate procedures exist to assess the performance and remuneration levels of Key Management Personnel;
- (c) fairly and responsibly rewarding Key Management Personnel without rewarding conduct that is contrary to the entity's values or risk appetite by having regard to the performance of the Group, the performance of the executive and the general pay environment;
- (d) balancing the need to ensure remuneration for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the board; and
- (e) reporting on remuneration in accordance with all relevant legal requirements.

### 1.3 Who does the charter apply to?

This charter applies to Waterco Limited and its Key Management Personnel.

### 1.4 Definitions

- (a) **ASX** means the Australian Securities Exchange.
- (b) **ASX Recommendations** means ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).
- (c) **Board** means the board of directors of Waterco Limited.
- (d) **Company** means Waterco Limited ACN 002 070 733.

- (e) **Key Management Personnel** means any person who has authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including:
  - (i) Directors;
  - (ii) Chief Executive Officer;
  - (iii) Chief Operating Officer;
  - (iv) Chief Financial Officer.
- (f) **Listing Rules** means the listing rules of the ASX.
- (g) **Remuneration Committee** means the remuneration committee of the Board.
- (h) **Remuneration Report** means the annual report prepared by the Remuneration Committee which provides information about the remuneration policy and payment details applying to Key Management Personnel of the Company.
- (i) **Waterco Group** means Waterco Limited ACN 002 070 733 and each of its wholly owned subsidiaries.

## 2. RESPONSIBILITIES

### 2.1 The Committee's responsibilities include:

- (a) assisting the Board in setting remuneration, recruitment, retention and termination policies for Key Management Personnel having regard to the Waterco Group's purpose, values, reputation, desired culture and strategic direction;
- (b) implementing remuneration policies that attract and retain high quality Key Management Personnel, and recognise and reward performance that is aligned with long term stakeholder interests;
- (c) ensuring that conduct that is contrary to the Waterco Group's values or risk appetite as determined and set by the Board, is not rewarded;
- (d) review and make recommendations to the Board for approving the remuneration of executive directors and senior executives in line with the Remuneration Policy;
- (e) ensuring remuneration reporting is compliant with relevant legislative requirements;
- (f) working with the CEO or his delegated authority to determine the appropriate level and structure of remuneration for Key Management Personnel and provide their recommendations to the Board for approval, in line with the Remuneration Policy;
- (g) review and make recommendations to the Board in relation to superannuation arrangements;
- (h) reviewing and reporting on diversity objectives and progress (including whether there is

any gender or other inappropriate bias in remuneration for Key Management Personnel and other employees);

- (i) present to the Board a list of individuals recommended for nomination for election to the Board and for appointment to the committees of the Board (including this charter);
  - (j) before recommending an incumbent, replacement or additional director, reviewing his or her qualifications, including capability, availability to serve, conflicts of interests, and other relevant factors;
  - (k) assist in identifying, interviewing and recruiting candidates for the Board; and
  - (l) other matters referred to the Remuneration Committee by the Board.
- 2.2 Remuneration for non-executive directors is set by the Board in accordance with the principles set out in the Remuneration Policy.

### **3. COMPOSITION**

- 3.1 The Committee shall be appointed by the Board and comprise not less than 3 directors, of whom a majority of members including the Chairperson, must be independent non-executive directors.

### **4. INVOLVEMENT OF NON-MEMBERS**

- 4.1 One of the Company Secretaries or the HR Manager will act as Secretary to the Committee, unless otherwise determined by the Committee.
- 4.2 Members of the Board, Company management or independent consultants may attend all or part of each meeting at the invitation of the Chairperson. Voting at Remuneration Committee meetings is restricted to Remuneration Committee members.

### **5. PROCEEDINGS**

- 5.1 The Committee will meet as frequently as required but at least twice a year.
- 5.2 The quorum for a meeting is 2 independent non-executive director Committee members. The Chair or their nominee will circulate an agenda for each meeting, incorporating any matters raised by other members of the Remuneration Committee or referred by the Board.
- 5.3 The Secretary shall maintain minutes of all meetings of the Remuneration Committee. The minutes shall be signed by the Chairperson.

### **6. ACCESS AND ADVICE**

- 6.1 The Committee has unrestricted access to (including the right to interview) the Key Management Personnel, managers and all employees and all Company records.
- 6.2 The Committee may seek advice or assistance from external advisors or consultants as required to enable the Committee to fulfil its role. For advice on the remuneration of Key Management Personnel, the advisers will be commissioned by the Chairperson on behalf of the Committee

once their selection has been approved by the Committee as a whole, and their advice will be provided directly to the Committee as a whole, or the entire Board. However, no individual director, senior executive or other employee will be involved in deciding his or her own remuneration.

## **7. REPORTING**

- 7.1 The Chairperson of the Remuneration Committee shall report to the Board each Committee meeting.
- 7.2 The Remuneration Committee must review and approve the Remuneration Report.
- 7.3 The Chairperson or their nominee must attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility, including the Remuneration Report.

## **8. EVALUATION**

- 8.1 The Committee will review its performance and effectiveness on an annual basis to ensure that it aligns with best practice.
- 8.2 This charter will be reviewed periodically as and when necessary to meet the operational requirements of the Company and Committee, changes in the Recommendations and changes in the law.

## **9. REFERENCES**

- 9.1 Remuneration Policy