

REMUNERATION COMMITTEE CHARTER

1. Objectives and Purpose

- 1.1. The primary objective of the Remuneration Committee is to assist the Board in:
 - 1.1.1. attracting and retaining Key Management Personnel and directors who will create value for shareholders and who will support the Waterco mission;
 - 1.1.2. ensuring that appropriate procedures exist to assess the performance and remuneration levels of Key Management Personnel;
 - 1.1.3. fairly and responsibly rewarding Key Management Personnel having regard to the performance of the Group, the performance of the executive and the general pay environment; and
 - 1.1.4. reporting on remuneration in accordance with all relevant legal requirements.

- 1.2. The Committee's responsibilities include:
 - 1.2.1. assisting the Board in setting remuneration recruitment, retention and termination policies for Key Management Personnel;
 - 1.2.2. making recommendations to the Board for reviewing and approving the remuneration of executive directors in line with the Remuneration Policy;

Remuneration for Non-Executive Directors is set by the Board.
 - 1.2.3. ensuring remuneration reporting is compliant with relevant legislative requirements;
 - 1.2.4. reviewing and approving the remuneration of key management personnel (and others as directed by the Board from time to time), in line with the Remuneration Policy;
 - 1.2.5. reviewing and recommending to the Board superannuation arrangements;
 - 1.2.6. carrying out the functions of a nomination committee:
 - annually nominating a list of individuals for election to the Board and for appointment to the committees of the Board;
 - before recommending an incumbent, replacement or additional director, reviewing his or her qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors;
 - assisting in identifying, interviewing and recruiting candidates for the Board; and
 - 1.2.7. Annually reviewing progress towards the achievement of measurable objectives for gender diversity as set by the Board.

REMUNERATION COMMITTEE CHARTER

2. Composition

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.

3. Involvement of Non-members

- 3.1. One of the Company Secretaries or the HR Manager will act as Secretary to the Committee, unless otherwise determined by the Committee.
- 3.2. 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 Committee meetings is restricted to Committee members

4. Proceedings

- 4.1. The Committee will meet as frequently as required but at least twice a year.
- 4.2. 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.
- 4.3. The Secretary shall maintain minutes of all meetings of the Remuneration Committee. The minutes shall be signed by the Chairperson.

5. Access and Advice

- 5.1. The Committee has unrestricted access to the key management personnel, managers and all employees and all Company records.
- 5.2. 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.

6. Reporting

- 6.1. The Chairperson of the Remuneration Committee shall report to the Board each Committee meeting
- 6.2. The Remuneration Committee must review and approve the Remuneration Report.

REMUNERATION COMMITTEE CHARTER

- 6.3. 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.

7. Evaluation

- 7.1 The Committee will review its performance and effectiveness on an annual basis.
- 7.2 This Charter will be reviewed periodically as and when necessary to meet the operational requirements of the Company and changes in the law.

BOARD POLICY FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The ASX Corporate Governance Principles and Recommendations recognise that smaller boards, such as that of Waterco, are able to deal efficiently and effectively with board composition and succession issues without establishing a separate nomination committee. The Board may, however, nominate an ad hoc committee of directors to focus on the selection of a new director and the re-election of incumbent directors and to bring recommendations to the Board as a whole.

When considering the re-election of an incumbent director or election of a new director, the Board will take into account the following:

1. business experience, particularly in respect of the industries in which the company operates;
2. standing in the community;
3. educational qualifications;
4. checks against the person's character, criminal record and bankruptcy history;
5. availability and other directorships;
6. the possession of particular skills such as finance, marketing or risk management; and
7. whether the appointment or re-appointment will contribute positively to the skill set and diversity of the Board as a whole.

The Board will evaluate the mix of skills and diversity that the board currently has or is looking to achieve in its membership when considering new candidates for nomination or appointment to ensure the appropriate mix of skills and diversity on the board that will make an effective board.

The Board will be conscious of the duration of each director's tenure to ensure independence and in succession planning to ensure that an appropriate balance of skills, experience and expertise on the Board are maintained.

New directors nominated and appointed to fill casual vacancies must stand for election at the next annual general meeting.

All new directors will 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 will also provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Board must keep in mind the overall objective of having a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties. At present, the Board believes that

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a 5 director board, with a majority of non-executive (preferably independent) directors is the right size for the company.

This Policy will be reviewed periodically as and when necessary to meet the operational requirements of the Company and changes in the law.