

1. Purpose

The Remuneration Committee of the SunWater board assists the board in fulfilling its responsibilities for to employment conditions and remuneration issues, including the requirements of the Government Owned Corporations Act 1993 (Qld) with respect to industrial relations and other Government policies in place from time to time

2. Role

The role of the Remuneration Committee is to assist the board to discharge its responsibilities by making recommendations particularly with respect to the following areas:

- ensure remuneration packages at the Chief Executive Officer and Senior Executives within SunWater are appropriate;
- ensuring policies and guidelines related to salary/wage negotiations within SunWater, including the SunWater Collective Agreement, are appropriate;
- playing a key role in the recruitment and selection of SunWater's senior executives;
- reviewing and monitoring SunWater's employment and industrial relations policy and direction;
- promoting leadership development and capability; and
- ensuring that SunWater's organisational structure supports the provision of effective and efficient business outcomes.

The committee's responsibilities are further outlined in **Attachment A**.

The committee is to act as a forum by which members can maximise their contributions to board deliberations.

3. Membership

The following shall apply regarding committee membership.

- The committee shall consist of a least three members appointed by the board.
- At least two committee members shall be independent, non-executive directors.
- The board may, subject to the consent of the shareholders, appoint outside experts to the committee if it believes it is desirable to do so.
- Committee members shall be appointed by the board for such term as the board considers appropriate.
- The Chairman of the committee shall be appointed by the board.

All members of the board, not formally appointed to the committee, have a standing invitation to attend meetings of the committee.

The CEO and General Manager – People and Culture will normally be invited to attend committee meetings but not as a member of the committee. Other senior staff may also attend committee meetings as considered appropriate by the CEO and with the agreement of the committee Chairman.

Committee members' terms and conditions are to be determined by the board. Committee members' appointments should be staggered so that a core of experienced members is retained.

4. Authority

Unless expressly delegated by the board, the committee does not have decision-making powers but acts on the direction of, and makes recommendations to, the board.

The committee has the authority to:

- require members of the company's management to attend meetings and provide advice or information
- access the company's documents and records, and
- appoint independent remuneration consultants.

5. Meetings and procedures

The following shall apply regarding committee meetings:

- The quorum for meetings shall be a minimum of two members.
- If the committee Chairman is absent from any meeting of the committee, the members of the committee present will appoint a Chairman for that meeting.
- The committee Chairman is required to call a meeting of the committee if requested to do so by the Board or not less than two committee members.
- In accordance with its role and responsibilities outlined in this document, the committee should determine its own agenda.
- There is no formal voting procedure given the committee doesn't have delegated decision-making authority. However, dissenting views of committee members will be recorded in the minutes of the committee meeting and reported by the committee Chairman to the board.
- The committee will meet at least four times per year and at such additional times as the committee considers necessary.
- Agendas and other papers for committee meetings will be provided to committee members at least five business days prior to the date set for the relevant committee meeting.

The secretary will be responsible for keeping minutes of committee meetings and to coordinate the preparation, distribution and confirmation of other committee papers.

The committee shall prepare an annual calendar outlining standard activities and events to be undertaken by the committee each year.

6. Conflicts of interest

The Directors' Conflict of Interest policy applies to all proceedings of the committee. In accordance with that policy, committee members are required to declare any interests that could constitute an actual, potential or perceived conflict of interest with respect to their participation on the committee. Such declarations must be made on a member's appointment to the committee and in relation to specific agenda items at the outset of each committee meeting.

7. Secretary

The Company Secretary will be the secretary of the committee and is responsible for:

- in consultation with the committee Chairman, preparing and sending notices of meetings and agendas to committee members.
- recording and keeping minutes of committee meetings and coordinating the preparation, distribution and confirmation of other committee papers as required.

8. Reporting

Minutes of committee meetings shall be included in the board papers for the next subsequent board meeting. In addition, the committee Chairman shall provide a verbal report to the board on the committee's activities.

At the beginning of each year, the committee will provide the board with a program of the committee's planned activities for the coming year. The committee will report on achievement of this program of work at the end of each year.

9. Review

The committee shall review annually this charter and the performance of its role and responsibilities. Any recommended changes should be presented by the committee to the board for approval.

A board performance evaluation may specifically include an evaluation of the committee.

From time to time, the board may review the structure, role and performance of board committees and make such changes as it considers desirable.

Attachment A: Remuneration Committee responsibilities

Remuneration Strategy, Framework and Policy

- Reviewing and recommending to the Board, the remuneration strategy and framework for the CEO, Senior Executives and Employees on Individual Employee Contracts in line with Government policy
- Reviewing industrial relations matters including the strategic approach for the negotiation of new enterprise agreements and recommending these to the Board
- Reviewing the remuneration packages to be awarded to the CEO and Senior Executives in line with Government policy
- The establishment, implementation, eligibility, participation, and assessment of targets for any incentive plan for CEO, senior executives and employees on individual employment contracts
- Annual remuneration benchmarking and remuneration increases for the CEO, senior executives and employees on individual employment contracts
- Whether there is any gender or other inappropriate bias in remuneration for the CEO, senior executives or other employees.

CEO and Senior Executive Appointment and Performance Monitoring

- Provide recommendations to the Board on the appointment of the Senior Executives and where appropriate participate in the selection of Senior Executives
- Reviewing the performance of the CEO and senior executives and establishing and assessing any key performance indicators.

People Management

- SunWater's People and Capability strategy including strategies for attraction and retention of employees
- SunWater's key human resource related policies
- SunWater's leadership capability and approach to leadership development
- Any employee grievance or complaint
- Reports and recommendations on workplace complaints and investigations.

Board Skills, Performance and Professional Development

- The adoption by the Board of a Board skills analysis setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership
- Induction and continuing professional development programs for Directors
- The program for evaluating the performance of the Board, its committees (including the Committee) and Directors.

Succession Planning & Risk Management

- Ensuring there are plans in place to manage the succession of the CEO and Senior Executives
- Evaluate SunWater's approach to corporate governance, policies and procedures relating to the committee's responsibilities such as remuneration, appointment and performance, and make recommendations to the Board on commercial "best practice" as appropriate
- undertake periodic reviews of SunWater's organisational structure, particularly at the executive management team level, and make recommendations to the Board as appropriate

- review the sections of SunWater's annual report relevant to the activities of the committee and make recommendations to the Board as appropriate.