

**South East Water Limited
Remuneration Committee Charter**

1. Purpose

The purpose of the Remuneration Committee is to:

- Ensure the effectiveness, integrity and compliance of remuneration policies and practices within the organisation.
- Develop and review the Organisation's Remuneration Policies and Strategies.
- Respond to emerging issues with respect to changes in legislation or Government Policy.

2. Role

The role of the Committee is to:

- Set and review Remuneration Policy to ensure that it reflects "Best Practice" and is aligned to the achievement of South East Water's Strategic Plan.
- Review the Remuneration Packages of the Senior Management Team, including the Managing Director.
- Approve the incentive schemes set for the forthcoming year for Senior Management Team, including the Managing Director.
- Confirm the payments proposed to be made to the Senior Management Team, including the Managing Director, as an outcome of the previously approved incentive schemes.
- Ensure that South East Water's remuneration Policy and Practice meets the requirements of Government Policy and GSERP Guidelines and applicable legislation.
- Ensure that South East Water's remuneration Policy and Practices reflect the highest standards of corporate governance and to ensure that appropriate and required disclosure occurs.

3. Composition

The Remuneration Committee will consist of all non-executive members of the Board including the Chairman of the Board.

The Chairman of the Board chairs the Remuneration Committee.

Membership of the Committee will be subject always to the member remaining a Director.

The Company Secretary will be available to attend Committee meetings, as required by the Chairman, for the purpose of documenting agreed outcomes.

The Managing Director may attend meetings of the Committee at the invitation of the Committee. Other experts both from within and outside the organisation may be called upon to assist the Board.

4. Remuneration Committee Meetings

The Remuneration Committee will meet at least twice per year. A special meeting may be held with the agreement of the Chairman and the Managing Director.

A quorum exists when three members of the committee are present.

Agendas for meetings will be distributed no later than three days prior to a meeting.

5. Review of Charter

This Charter will be reviewed every 3 years, or earlier as agreed.

Members of the Committee wishing to have aspects raised in such a review are to provide adequate written notice to the Chairman.