

Just Water International Ltd

Remuneration Committee Charter

1. Establishment of the remuneration committee

1.1. This charter sets out the basis on which the board has established a remuneration committee pursuant to the authority contained in, and subject to the provisions of, clause 34.3 of the Constitution.

2. Objectives

2.1. The objective and purpose of the remuneration committee is to assist the board in establishing coherent remuneration policies and practices which:

- 2.1.1. enable Just Water International Ltd and its subsidiaries (collectively called “the company”) to attract, retain and motivate executives and directors who will create value for shareholders;
- 2.1.2. fairly and responsibly reward executives having regard to the performance of the company, the performance of the executive and the general remuneration environment; and
- 2.1.3. comply with the provisions of the NZX Listing Rules and any other relevant legal requirements.

3. Authority, Duties and Responsibilities

3.1. Specifically, the remuneration committee has the authority, duty and responsibility to:

- 3.1.1. decide & recommend to the board the CEO, COO & CFO's remuneration packages
- 3.1.2. approve the remuneration packages of the senior manager(s) (direct reports to the COO) of each division as recommended by the COO for presentation to the board;

- 3.1.3. ensure that the company has a formal and transparent method to recommend director remuneration packages to shareholders;
- 3.1.4. review the company's remuneration policy, including but not limited to policies relating to:
 - 3.1.4.1. parameters used in determining salary scales;
 - 3.1.4.2. the structure of remuneration of executive directors, non-executive directors, the chairperson, the board and board committee members;
 - 3.1.4.3. the design of equity based plans and other related equity based policies; and
 - 3.1.4.4. executive and non-executive recruitment, retention and termination;
 - 3.1.4.5. monitor, or if the company does not have such policies, consider, and if thought fit develop, remuneration policies:
 - 3.1.4.6. for non-executive and executive directors whereby directors receive remuneration by base fees and/or shares and/or options and/or bonus payments;
 - 3.1.4.7. make recommendations to the board regarding directors remuneration.

4. Remuneration Committee Composition

- 4.1. The remuneration committee shall consist of at least two members, each of whom will be appointed by the board
- 4.2. All of the members of the remuneration committee shall be directors of the company.
- 4.3. At least 50% of such members will be independent directors.
- 4.4. The members of the remuneration committee shall elect one of their members who is an independent director or the chairperson of the board to be the chair of the remuneration committee. In that person's absence, any member may chair a meeting of the remuneration committee.
- 4.5. The remuneration committee may invite such other persons to attend their meetings as they consider appropriate.
- 4.6. The remuneration committee may, if it considers it appropriate, appoint a secretary.

5. Meetings and procedure

- 5.1. The remuneration committee will meet as frequently as required.
- 5.2. A quorum for a meeting of the remuneration committee is two members.
- 5.3. The dates, times and venues of each meeting of the remuneration committee will be notified to all members as far in advance as possible. Supporting papers shall also be sent to members as far in advance as possible.
- 5.4. Proceedings of the remuneration committee will be governed by the provisions of the Constitution, in so far as they are applicable.

6. Consultation

- 6.1. The remuneration committee shall have unrestricted access to executive management, all employees, company records and may use financial, legal or other expert advisers as appropriate.

7. Reporting

- 7.1. The chair of the remuneration committee (or a person nominated by the remuneration committee for that purpose) must report to the board on the remuneration committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities.
- 7.2. The chair of the remuneration committee must be available at the Annual Shareholders' Meeting to respond to any shareholder questions on the remuneration committee's activities and areas of responsibility.

8. Review

- 8.1. The remuneration committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the board. It must recommend to the board any suggested changes in the duties and responsibilities of the remuneration committee and the terms of this charter.



19/08/2005