

# WATTS WATER TECHNOLOGIES, INC.

## Compensation Committee Charter

### I. General Statement of Purpose

The Compensation Committee of the Board of Directors (the “Compensation Committee”) of Watts Water Technologies, Inc. (the “Company”), on behalf of the Board of Directors (the “Board”), discharges the Board’s responsibilities relating to compensation of the Company’s directors and executive officers. The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that are appropriate for the Company in light of all relevant circumstances and which provide incentives that further the Company’s long-term strategic plan and are consistent with the culture of the Company and the overall goal of enhancing enduring stockholder value.

### II. Compensation Committee Composition

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time but shall consist of no fewer than two members, each of whom shall satisfy the independence standards established pursuant to Section 303A of the New York Stock Exchange Listed Company Manual.

The members of the Compensation Committee shall be appointed by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from this committee. Vacancies occurring, for whatever reason, may be filled by the Board. Unless the Board elects a member of the Compensation Committee to serve as Chairman of the Compensation Committee, the Compensation Committee shall elect a Chairman by majority vote.

### III. Meetings

The Compensation Committee shall meet as often as it deems necessary in order to perform its responsibilities in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent.

#### **IV. Compensation Committee Activities**

The Compensation Committee's purpose and responsibilities shall be to:

##### **A. Review of Charter**

- Review and reassess the adequacy of this Charter periodically and submit any proposed changes to the Board for approval.

##### **B. Compensation Discussion & Analysis and Compensation Committee Report**

- Review and discuss annually with management the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Compensation Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.
- Prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.

##### **C. Annual Performance Evaluation of the Compensation Committee**

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.

##### **D. Recommendations Regarding Incentive-Compensation Plans and Equity-Based Plans**

- Review and make recommendations to the Board with regard to all executive incentive-based compensation plans and all equity-based plans.

##### **E. Matters Related to Compensation of the Company's Chief Executive Officer**

- Review and approve the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer ("CEO"). The Compensation Committee shall discuss such corporate goals and objectives with the Board.
- Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and, either as a committee or together with the other independent directors (as directed from time to time by the Board) determine

and approve the CEO's compensation based on this evaluation. In connection with determining the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Company's CEO in past years. The Compensation Committee shall discuss the CEO's compensation with the Board.

**F. Matters Related to Compensation of the Officers Other Than the Chief Executive Officer**

- Periodically review and approve, or (with respect to compensation of executive officers other than the CEO) make recommendations to the Board with respect to, executive officer compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation.

**V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its sole discretion:

**A. Matters Related to Compensation of the Company's Directors and Members of Senior Management**

- Periodically review and, if appropriate, make recommendations to the Board with respect to the compensation of all directors, officers and members of senior management of the Company (other than the CEO), including with respect to any incentive-compensation plans and equity-based plans.

**B. Matters Relating to Compensation Consultants, Independent Legal Counsel and Other Advisers**

- Retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser (collectively, “compensation advisers”). The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation adviser retained by the Compensation Committee. The Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to a compensation adviser retained by the Compensation Committee. The Compensation Committee may select a compensation adviser to the Compensation Committee only after taking into consideration all factors relevant to that person’s independence from management, including the following:
  - The provision of other services to the Company by the person that employs the compensation adviser;
  - The amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
  - The policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
  - Any business or personal relationship of the compensation adviser with a member of the Compensation Committee;
  - Any stock of the Company owned by the compensation adviser; and
  - Any business or personal relationship of the compensation adviser or the person employing the adviser with an executive officer of the Company.

Nothing in this Charter shall be construed (i) to require the Compensation Committee to implement or act consistently with the advice or recommendations of any compensation adviser to the Compensation Committee or (ii) to affect the ability or obligation of the Compensation Committee to exercise its own judgment in fulfillment of the duties of the Compensation Committee.

The Compensation Committee is required to conduct the independence assessment outlined in this Section V.B. with respect to any compensation adviser that provides advice to the Compensation Committee, other than: (i) in-house legal counsel and (ii) any compensation adviser whose role is limited

to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation adviser, and about which the compensation adviser does not provide advice.

Nothing in this Charter requires a compensation adviser to be independent, only that the Compensation Committee consider the enumerated independence factors before selecting or receiving advice from a compensation adviser. The Compensation Committee may select or receive advice from any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined in this Section V.B.

#### **C. Incentive Plan Administration**

- Exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee and/or management stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Compensation Committee shall not be authorized to amend any such plan.

#### **VI. General**

- The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisers and professionals with whom the Compensation Committee may consult. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the

Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or compensation advisers to the Compensation Committee.

- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

Adopted by the Board of Directors on February 10, 2004

Amended by the Board of Directors on November 2, 2004, February 6, 2007, July 30, 2013 and May 7, 2018