



HUNTER WATER CORPORATION

Corporate Governance Committee

Charter

JUNE 2013

Table of Contents

1	Committee Name.....	2
2	Purpose.....	2
3	Objectives.....	2
4	Authority.....	2
5	Duties and Responsibilities.....	3
6	Membership, Appointment and Term.....	3
7	Chairman.....	4
8	Secretary.....	4
9	Meetings.....	4
10	Conflict of Interest.....	4
11	Quorum.....	4
12	Assessment.....	4
13	Review of Committee Charter.....	5

1 Committee Name

The committee shall be known as the **Corporate Governance Committee** (the “Committee”).

2 Purpose

The Corporate Governance Committee has been established to ensure that the system of corporate governance within Hunter Water Corporation provides an effective and ethical framework within which the Board and Management address their respective responsibilities. The Committee advises the Board on remuneration policy in accordance with the *NSW Treasury Commercial Policy Framework: Guidelines for Boards of Government Businesses* and all matters concerning the evaluation of Board performance including the composition of the Board and the skills required of individual Directors.

3 Objectives

In fulfilling its purpose, the Committee’s objectives are:

- To review the development and implementation of principles, policies and practices of Corporate Governance.
- To make recommendations to the Board, in relation to the above, as appropriate.
- Review the skills of Directors and make recommendations, where required, to Treasury as part of the Nominations to Boards of State Owned Corporations process.
- To establish clear roles and responsibilities for the Board and Management.
- To ensure that the Board has an effective composition to allow it to discharge its responsibilities.
- To promote ethical and responsible decision making.
- To ensure that commitments made to shareholders are achieved.
- To appropriately manage pay and performance of staff.

4 Authority

In carrying out its duties the Committee shall have the authority to discuss directly with management, internal auditors or consultants any issue within its remit and to request reports, explanations and information on any of the activities or procedures of the Corporation.

The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary at the cost of the Corporation.

5 Duties and Responsibilities

In order to fulfil its objectives, the Committee will:

- Stay abreast of developments in Corporate Governance issues and changes in relevant legislation and ensure Directors and Officers of the Corporation are adequately advised in this regard.
- Maintain a Code of Conduct applicable to Directors (and senior management) and assess effectiveness and compliance with the Code of Conduct applicable to Directors (and senior management).
- Regularly review the skills of Directors and make recommendations, where required, to Treasury in accordance with any requirements pertaining to Nominations to Boards of State Owned Corporations.
- Establish Committees of the Board as appropriate and ensure that the Board and each Committee has in place a Charter which adequately reflects the corporate governance and risk management responsibilities of its function.
- Appoint and remove Board Committee Members as required from time to time.
- Ensure appropriate Director Development and succession planning.
- Scope and review regular Board Performance Reviews.
- Make recommendations to the Board regarding Managing Director Development and succession planning.
- Recommend to the Board a remuneration policy for the Managing Director and ensure that appropriate performance evaluation is undertaken at least annually.
- Provide oversight of Senior Executive Remuneration policies reviews and ensure that appropriate performance evaluation is undertaken at least annually.
- Critically evaluate the key points arising from Board Strategy Sessions and ensure follow-up occurs through the normal Board processes.
- Report to shareholders in relation to its activities, including a summary of any complaints received and subsequent investigations and the outcome of such investigations (including any resolutions).
- Report, as required, to Treasury Selection Panels for appointment of Directors, a listing of recommendations for appointment to the Board.
- Report activities from Committee Meetings to the next scheduled Board Meeting by means of minutes from the Meeting and verbal update, as required, by the Chair of this Committee.

6 Membership, Appointment and Term

The Committee will consist of at least three non-executive Directors and the Managing Director as Members of the Committee. The nomination of Directors and the term of appointment of each

Member shall be determined by the Corporate Governance Committee. The Committee may invite any other individuals to attend Meetings of the Committee, as it considers appropriate.

7 Chairman

The Chairman of the Board of Hunter Water Corporation is the Chairman of the Committee.

8 Secretary

The Company Secretary will be the Secretary of the Committee. The Secretary, in conjunction with the Chairman and/or the Managing Director, will be responsible for determining the agenda and distributing the business papers to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the Committee and circulating these to Committee members. The Secretary may be supported in these duties by other management personnel.

9 Meetings

The Committee will hold at least 4 regular Meetings per annum and such additional Meetings as the Chair may decide in order to fulfil its duties. The Chair of the Committee will report to the Board following each Committee Meeting. The Committee's Charter shall be reviewed annually and updated as required.

The Company Secretary will be Secretary to the Committee. The Secretary, in conjunction with the Chair, will be responsible for determining the agenda and distributing the business papers to the Committee Members prior to each Meeting. The Secretary will also be responsible for keeping the Minutes of the Committee and circulating these to Committee Members and other interested parties. The Secretary may be supported in these duties by other management personnel.

10 Conflict of Interest

Committee Members must declare their interest, whether perceived, pecuniary or otherwise, in the exercise of their duties.

11 Quorum

A quorum shall consist of two Committee Members.

12 Assessment

The Committee shall review its performance against the Charter on an annual basis and report to the full Board.

13 Review of Committee Charter

The Committee will review this Charter on an annual basis and at such other times as it considers a review to be necessary or appropriate.

Approved: **27 June 2013**

Board of Directors

Last Reviewed: **29 January 2015**

Corporate Governance Committee