

# INVESTMENT COMMITTEE CHARTER

APRIL 2018

HUNTER WATER



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## 1 COMMITTEE NAME

The Committee shall be known as the Investment Committee (the “Committee”).

## 2 PURPOSE

The Committee is a committee of the Board of Hunter Water Corporation created to assist the Board of Directors in fulfilling its responsibilities in relation to investment of funds, governance, composition and delivery performance of allocated funds.

## 3 OBJECTIVES

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

- To assess and review that the investment logic maps thoroughly express the intent of the Board, as set out in our strategic goals.
- To review objectives, strategies and policies in relation to the investment of funds, both capital and operating.
- To review the short and long term investment plans and recommend adoption to the Board as required.
- To assess that management have consulted with customers, consumers and stakeholders and that their views have been incorporated in recommended investment decisions.
- To consider the impact of short term investment plans on long term goals such as intergenerational equity, future investment options and flexibility.

Oversight the systems and processes in place that support good governance of individual projects and investment programmes, consistent with the risk appetite statements.

## 4 AUTHORITY

The Committee has no executive powers.

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 Hunter Water.

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

## 5 DUTIES AND RESPONSIBILITIES

In order to fulfil its objectives, the Committee will:

- Review recommendations made by management and provide advice to the full board for the longer term investment of Hunter Water Corporation’s funds up to a 20 years horizon. This overview would consider:
  - Major components of likely investment.
  - Prioritisation and balancing of projects and programmes.

- Evaluating capital and operating portfolio scenarios against consumer drivers and risk appetites.
- The criteria against which items of investment are assessed.
- Review annual investment budgets and longer term investment plans, including those prepared for price path and Statement of Corporate Intent (SCI), prior to presentation to the full Board.
- Review the governance approach applying to the investment of funds.
- Review the process for evaluation of investment in projects and programmes within the investment logic maps framework, including
  - Option evaluation criteria.
  - Economic and financial evaluation approaches.
  - Value engineering.
  - Life cycle cost approaches.
- Monitor post-completion reviews of selected investments, assessing the effectiveness and realisation of benefits.
- Consider strategic issues as they relate to the investment of funds and to the broader business.

## **6 MEMBERSHIP, APPOINTMENT AND TERM**

The Committee will consist of at least three non-executive Directors. Only a non-executive Director will be appointed Chair of the Committee.

The Chair and the term of appointment of each member shall be recommended to the Board by the Corporate Governance Committee. The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate. The Managing Director is a permanent member of the Committee.

## **7 SECRETARY**

A senior manager, to be agreed by the Committee Chair and the Managing Director will be the Secretary of 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.

## **8 MEETINGS**

The Committee will hold at least four 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.

## **9 CONFLICT OF INTEREST**

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

## **10 QUORUM**

A quorum shall consist of 2 non-executive Director Committee Members.

## **11 ASSESSMENT**

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

## **12 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.

Endorsed:	25 July 2018	Corporate Governance Committee
Approved:	28 June 2018	Board of Directors
Last Reviewed:	28 June 2018	Investment Committee