



Remuneration

Purpose

The Remuneration Committee has been established to consider strategies for succession planning of key management roles and overall remuneration and performance pay strategy.

Objectives

In fulfilling its purpose, the Committee's primary objective is to ensure strategies for recruitment development and remuneration deliver a high performance workforce.

Duties and Responsibilities

In order to fulfil its objectives, the Committee will:

- Provide overall guidance and endorsement of methods of appointment of Senior Managers, including their remuneration.
- Provide oversight, on an annual basis, of Executive Remuneration reviews and specifically endorse the recommendations of the Managing Director in respect to the performance and conditions of Senior Executives.
- Provide oversight, on an ongoing basis, that appropriate remuneration planning in relation to career succession planning is undertaken for Senior Managers to ensure the appropriate competitiveness of the organisation.
- To set the terms and conditions for the Managing Director and ensure appropriate performance evaluation and performance pay is undertaken.
- To ensure an appropriate succession plan is in place for the Managing Director's position.

Membership of the Committee

The Committee will consist of the Chairperson of Hunter Water Corporation (HWC), one other Non-Executive Director and the Managing Director. The Chairperson of the HWC Board will be appointed Chair of the Committee. The term of appointment of the Non-Executive Director 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. The Managing Director is a permanent Member of the Committee.

Meetings

The Committee will hold at least 3 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.

A Secretary will be appointed by the Committee from the Executive Team. 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.

Quorum

A quorum shall consist of 2 Committee Members.

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.

Conflict of Interest

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

Approved by the Board Remuneration Committee and by the Board of Hunter Water Corporation on 25 June 2009.