



CHARTER

TREATMENT OPERATIONS AND DESALINATION COMMITTEE

1. Introduction

The Treatment Operations and Desalination Committee (Committee) is a committee of the board of directors (Board) of Hunter Water Corporation (Hunter Water). This charter sets out the functions delegated by the Board to the Committee and the Committee's objectives, authority and operation.

2. Purpose

The Board has established the Committee to assist in fulfilling its oversight responsibilities with regards to the following:

- a. The competitive sourcing process for operation and maintenance of Hunter Water's water and wastewater treatment works (Treatment Operations)
- b. The capital funding for project delivery and award of phase 2 of the Belmont Desalination Plant, including the development of a target outturn cost ('TOC) and agreement of the TOC with John Holland Pty Ltd.

The Committee has a limited term and will disband upon the completion of these milestones, as outlined further in section 5.

3. Objectives

In fulfilling its purpose, the Committee's objectives are to oversee and provide assistance to the Board in relation to:

- a. The competitive sourcing process for the Treatment Operations contract with regards to the following:
 - (i) Hunter Water's business objectives
 - (ii) Mitigation of risk
 - (iii) Value for money
 - (iv) Probity and compliance with Hunter Water's commercial and procurement policy and related documents
- b. Capital funding for project delivery and the award of phase 2 of the Belmont Desalination Plant as described above.

4. Authority

The Committee is a sub-committee of the Board and has no executive powers.

The Committee has the authority to directly engage with management, internal auditors, or consultants (including probity advisors), and request reports and information on any relevant Hunter Water activities. It can also obtain independent legal or professional advice, if deemed necessary, at Hunter Water's cost.



5. Duties and responsibilities

In order to fulfil its objectives, the Committee will:

a. Treatment Operations:

- (i) Review and provide advice to the Board on the development and implementation of the sourcing strategy for treatment operations.
- (ii) Consider recommendations submitted from time to time with regard to significant issues (such as evaluation criteria, allocation of significant risks, incentive and performance management provisions).
- (iii) Review and recommend to the Board the shortlist of service providers to be included in any phase of the procurement process.
- (iv) Recommend the preferred tender for award of contract to the full Board for their consideration.

b. Belmont Desalination Plant:

- (i) Review and provide advice to the Board on the approval of capital funding for project delivery and award of Phase 2 of the project, including the development of the TOC and agreement of the TOC with John Holland Pty Ltd, for the Board's consideration.
- (ii) Consider recommendations submitted from time to time in relation to significant issues.

This Committee has a limited term, it will be disbanded upon completion of the above activities.

6. Membership, appointment and term

The Committee will consist of the following:

- Chair of Investment Committee
- Chair of Audit and Risk Committee
- Chair of People and Culture Committee
- Chair of Sustainability Committee

The Managing Director (and any other management as agreed by the Chair) may attend the meetings of Committee. Committee members, if necessary, are able to have in-camera discussions. The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate.

All attendees are responsible and accountable for maintaining the confidentiality of the information they receive during the course of these meetings.

7. Chair

The Nominations and Governance Committee will appoint a non-executive director to the Chair of the Committee.

8. Secretary

A senior manager, nominated by the Managing Director and approved by the Chair of the Committee, will be the Committee Coordinator. The Committee Coordinator, together with the Chair and/or the Managing Director, will set the agenda, distribute the business papers at least five days before each meeting, keep the meeting minutes and circulate these within one month of the meeting. Other management personnel may assist the Committee Coordinator in these tasks.



9. Meetings

The Committee will meet at key milestone events as agreed by the Committee, and as the Chair deems necessary in order to fulfil its duties. The Chair of the Committee will report to the Board following each committee meeting.

10. Conflict of Interest

Committee members must declare their interest, whether perceived, financial or otherwise, in the exercise of their duties under Schedule 10 of the State Owned Corporations Act 1989 (NSW).

11. Quorum

A quorum requires two Committee members. Meetings can be held in person, by telephone, video conference or a combination of these methods.

12. Assessment

The Committee will review its performance and effectiveness as required, and report to the Board.

13. Review of Committee Charter

The Committee will review this Charter as needed, recommending any changes to the Board.



DOCUMENT INFORMATION

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