



# INVESTMENT COMMITTEE CHARTER



## Committee name

The Committee shall be known as the Investment Committee (the 'Committee').

## Purpose

The Committee is a committee of the Board of Hunter Water Corporation created to assist the Board of Directors in fulfilling its responsibilities regarding the investment of capital and operating funds, including the governance, decision-making frameworks and delivery performance of allocated funds

## Objectives

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

- To assess and review that the benefits to be achieved through the investment of capital and operating funds reflect the intent of the Board, as set out in our strategic priorities.
- 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 has 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.
- To oversee the systems and processes in place that support good governance of individual projects and investment programs, consistent with the risk appetite statements.

## 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.

## 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 programs
  - evaluating capital and operating portfolio scenarios against customer and community drivers, and risk appetite
  - 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 programs within the business case framework, including:
  - option evaluation criteria
  - economic and financial evaluation approaches
  - value engineering.
  - life cycle cost approaches.
- Monitor and review the performance in delivery of investment programs, including strategic procurement approach, efficiency and effectiveness of program delivery (time, cost, quality) and realisation of benefits.
- Consider strategic issues as they relate to the investment of funds and to the broader business.

## 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.

## Secretary

An executive 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.

## 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.

## Conflict of interest

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

## Quorum

A quorum shall consist of two non-executive director Committee Members.

## Assessment

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

## 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.

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