



NOMINATIONS AND GOVERNANCE COMMITTEE CHARTER



Committee name

The committee shall be known as the Nominations and Governance Committee (the 'Committee').

Purpose

The Committee has been established to assist the Board in fulfilling its nomination responsibilities and in relation to:

- a) the composition and performance evaluation of the Board and Board Committees
- b) the appointment and succession of the Managing Director
- c) the review and implementation of effective corporate governance practices to enable Hunter Water to operate to a high standard and in accordance with its obligations to its people, customers, community, Voting Shareholders and other stakeholders.

Objectives

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

- a) undertake the functions of a nomination committee as set out in NSW Treasury policy and guidelines paper: *TPP17-10 Guidelines for Boards of Government Businesses* ([TPP17-10](#)), including to:
 - i. review the skills of directors and make recommendations, where required, to NSW Treasury as part of the nominations to boards of state owned corporations process
 - ii. ensure that Board succession plans are in place
 - iii. establish clear roles and responsibilities for the Board and management
 - iv. ensure that the Board has an effective composition to allow it to discharge its responsibilities
- b) review and consider the development and implementation of principles, policies and practices of corporate governance
- c) make recommendations to the Board, in relation to the above, as appropriate.

Authority

The Committee is a sub-committee of the Board. 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 independent legal or other professional advice, if it considers necessary or appropriate, at the reasonable expense of the Corporation.

Duties and responsibilities

The Committee assists the Board to:

- a) develop a board plan to best structure the Board to add value and achieve the right skills mix.
- b) develop and regularly review the board skills matrix, to ensure composition of the Board sets out the skills, expertise and diversity (including gender diversity) that the Board currently has and is looking to achieve as part of its membership.
- c) review and make recommendations (where required) to NSW Treasury for appointment or reappointment of non-executive directors. Having regard to the Board skills matrix, the Committee will assess the composition of the Board with the objective that it comprises of directors with broad range of skills, expertise and experience from diverse backgrounds.
- d) determining that an appropriate and transparent process is in place for effective succession planning and renewal of the Board and Board Committees.
- e) review the performance, skills and experience of Directors or Chairperson reaching the end of their tenure and make recommendations for reappointment to the Board. The reappointment is then to be considered by NSW Treasury who will consider the recommendation in conjunction with the skills and experience of the

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director against the needs of the Corporation prior to making the recommendation to the Voting Shareholders.

- f) evaluate the collective performance of the Board, the Chairperson, the individual performance of all directors, the Managing Director and the Committees and report findings to the Chairperson and Board as appropriate.
- g) oversee the development and maintenance of governance policies relevant to the Board, including the Director's Code of Conduct.
- h) oversee the directors' induction program with the assistance of the Company Secretary, ensuring all relevant governance policies are made available to newly appointed Directors.
- i) ensure that directors have access to appropriate continuing professional development necessary to improve their skills and knowledge and to fill any gaps within the current Board composition.

Committee members will continue to be updated of developments in corporate governance issues, ethics, government policy and changes in relevant legislation and ensure directors and officers of the Corporation are adequately advised and provided training sessions in this regard.

Membership, appointment and term

The Committee must consist of at least three non-executive directors. The Managing Director will not be a member of the Committee.

The nomination of directors and the term of appointment of each member shall be determined by the Board.

The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate.

Chair

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

Secretary

The Company Secretary or designate will be the Secretary of the Committee.

The Secretary, in conjunction with the Chair and/or the Managing Director, will be responsible for determining the agenda and distributing the business papers to the Committee members in advance of each meeting so that members have a reasonable opportunity to review the papers. The Secretary will also be responsible for keeping the minutes of the Committee and circulating these to Committee members within in one month of the meeting. The Secretary may be supported in these duties by other management personnel.

Meetings

The Committee will hold at least four regular meetings annually. Meetings may be requested by any member of the Committee.

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 under Schedule 10 of the *State Owned Corporations Act 1989 (NSW)*.

Quorum

A quorum will consist of two Committee members.

Meetings can be held in person, by telephone, by video conference or by any combination of these media.

Assessment

The Committee will review its 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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