



POWERLINK QUEENSLAND

CopperString 2032 Project Committee

TERMS OF REFERENCE

July 2024

1. **OBJECTIVES**

The CopperString 2032 Project Committee (the “Committee”) is a committee of the Board of Directors established to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on all aspects of the CopperString 2032 project (the Project).

The Committee has the following specific duties with respect to the Project:

- a) Review and endorse the Final Investment Proposal (FIP), for consideration by the Powerlink Board, including the following elements:
 - i. project scope and key project governing principles and key assumptions,
 - ii. proposed revenue sources and funding arrangements,
 - iii. proposed conditions associated with any material planning and works approvals (e.g. EPBC),
 - iv. proposed regulatory arrangements / changes required to support the project,
 - v. proposed risk positions and risk allocation between contractors, suppliers, government, and Powerlink,
 - vi. proposed contractual and commercial arrangements,
 - vii. proposed capital and operating costs and cash flow timing,
 - viii. proposed project execution plans, project resourcing plans and project schedule,
 - ix. proposed project controls and assurance arrangements,
 - x. proposed Stakeholder engagement plans including landowner engagement, First Nations engagement, Native Title and Cultural Heritage Management Plans, and
 - xi. any additional scope options to be included in the FIP.
- b) Post FIP approval by the Cabinet Budget Review Committee (CBRC), the Committee will:
 - i. Receive regular reporting on the status of the Project, enabling ongoing monitoring of key risks pertinent to the Project, including but not limited to:
 - a. Health, safety and environment
 - b. Schedule;
 - c. Cost;
 - d. Design;
 - e. Quality assurance;
 - f. Contractual and commercial management of the Principal Contractor;
 - g. Government, Stakeholder, Landowner and First Nations engagement; and
 - h. Responses to unexpected risk events and performance issues.

Where appropriate, the Committee will refer matters to the relevant Powerlink Executive for further investigation.
 - ii. review and consider outputs from 2nd and 3rd line assurance activities conducted on the Project, including the effectiveness of management response and actions; and
 - iii. review and, where necessary, make recommendations to the Audit, Risk and Compliance Committee and/or Board, on the adequacy and effectiveness of the application of risk appetite, risk management and assurance frameworks to the Project.
- c) Investigate and report to the Board on any matter specifically referred to the Committee by the Board.

To achieve its objectives in relation to the CopperString 2032 Project, the Committee will:

- receive, or request, reports from management, internal auditors, external auditors or others as it sees fit; and
- report to the Board on its work, express its opinion, as appropriate, on the compliance with the responsibilities covered by this Terms of Reference, and make recommendations to the Board as necessary.

In this regard, the Committee:

- has the delegated authority from the Board to seek and obtain information it requires from any employee of the Corporation;
- shall have unrestricted access to internal and external auditors; and
- is authorised to take such independent professional advice, as it considers necessary.

The Committee is empowered to examine any matter in relation to its objectives as it sees fit or as requested by the Board.

2. DUTIES AND RESPONSIBILITIES

The Committee will:

- a) Direct good governance practices within which the Project is to operate, ensuring the Project is operating within the Board's risk appetite.
- b) Monitor management's performance and implementation of the Project deliverables; ensuring appropriate supporting processes and procedures are aligned and maintained within Powerlink's broader financial and operational requirements.
- c) Provide leadership of the Project within an appropriate risk management framework of prudent and effective controls which enable the Project risks to be managed effectively with the Board's risk appetite.

3. MEMBERSHIP AND MEETINGS

3.1 Appointment

The Board shall appoint and remove members of the Committee, and the Chair of the Committee.

The Board has determined that the Committee will comprise at least three Directors. A quorum will be a minimum of half the number of Committee members, rounded up.

At least every two years, the Committee will review its membership, and having considered the length of service of the members, the development of Director skills and any other relevant considerations, recommend to the Board the preferred ongoing membership of the Committee.

3.2 Secretariat

The Committee will be assigned a Secretary who shall be responsible, in conjunction with the Chair, for drawing up the agenda, and circulating the agenda supported by explanatory documents to Committee members prior to each meeting.

The Secretary will also be responsible for recording and keeping the minutes of meetings of the Committee and circulating them to Committee members as soon as practicable after each meeting (with those minutes to be tabled and confirmed at the next Committee meeting).

3.3 Attendance

The Chief Executive (or nominee), the Chief Financial Officer, Company Secretary and relevant Executive General Manager shall have standing invitations to attend all Committee meetings. Others may be requested to attend Committee meetings to discuss or report on particular agenda items.

The Committee may determine from time to time, that it is appropriate to conduct meetings privately. The Committee may decide to exclude some or all non-committee members from any meeting.

The Committee may meet with the internal auditor and the external auditor without management being present.

3.4 Frequency

The Committee will hold at least six (6) meetings each year, and such additional meetings as the Secretary or Chair shall decide in order to fulfil the duties of the Committee.

In addition, the Chair is required to call a meeting of the Committee if requested to do so by any Committee member, the Chief Executive, the Chief Financial Officer, the internal auditor or the external auditor.

4. REPORTING AND SELF ASSESSMENT

The Committee shall:

- provide a formal update to the Board following each meeting and make available the minutes of all Committee meetings to Board members; and
- direct appropriate reporting of CopperString project risk and assurance activities as part of the Corporate risk reporting to the Audit Risk and Compliance Committee.

The Committee will conduct a regular process of self-assessment, including a review of the Committee's Terms of Reference at least every two years. The self-assessment will include matters listed in Appendix A.

The Committee's performance, including the self-assessment, will be reviewed as part of the annual Board performance review.

Appendix A**ANNUAL SUMMARY OF THE ACTIVITIES OF
COPPERSTRING 2032 PROJECT COMMITTEE**

The Committee will consider the items below as part of its annual self-assessment;

- ❖ Composition of the Committee.
- ❖ Number of meetings held and number attended by each committee member.
- ❖ A summary of the main objectives and responsibilities of the Committee, confirmation that the Committee adheres to the objectives and principles of the Terms of Reference, and that they have been met.
- ❖ Significant issues addressed and their resolution in relation to matters of:
 - Project assurance and governance;
 - Internal controls;
 - Project risk management.