POWERLINK QUEENSLAND

Mega Projects Committee

TERMS OF REFERENCE

December 2024

1. <u>OBJECTIVES</u>

The Mega Projects Committee (the "Committee") is a committee of the Board of Directors established to assist the Board in fulfilling its oversight responsibilities regarding Mega Projects.

Mega Projects are broadly defined as a portfolio of projects or interdependent programs of work exceeding $500 million with significant government, community and stakeholder engagement. Mega Projects also includes any project directed by the Government or Powerlink Board to be defined as a Mega Project.

The Committee will review and report to the Board in relation to delivery of the program of transmission infrastructure Mega Projects associated with the achievement of the Queensland Energy and Jobs Plan (QEJP) targets. In delivery to this broad objective the Committee will provide oversight of:

(a) Powerlink's enterprise capacity and capability to successfully deliver Mega Projects;

(b) an effective benefits-based Mega Projects investment program that has been purposely optimised for inclusion in Powerlink's Regulated Asset Base (RAB);

(c) delivery through an effective Mega Projects project management methodology; and

(d) investment risks/opportunities and project progress/impediments in planning and delivery of the QEJP Mega Projects.

2. <u>DUTIES</u>

In responding to the objectives outlined above, the Committee has the following specific duties:

(a) review and evaluate Powerlink's enterprise capacity and capability to successfully deliver Mega Projects, including investment planning and governance, social performance, supply chain management, workforce management and contracting;

(b) review and evaluate the effective delivery of the program of Mega Projects including portfolio planning and management, benefits management, program level risk management, value management and innovation, and delivery/procurement strategies;

(c) review and endorse individual Mega Project capital investment recommendations for consideration by the Powerlink Board, supported by a range of information including:

    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 implications / impacts for stakeholders, and

    xi. proposed Stakeholder engagement plans including landowner engagement, First Nations engagement, Native Title and Cultural Heritage Management Plans.

(d) receive regular reporting on activities undertaken to enhance enterprise capacity and capability associated with delivering Mega Projects;

(e) receive regular reporting on investment outlook for Mega Projects program, including the portfolio plan, resourcing requirements, program risks, innovation activities and delivery/procurement strategies;

(f) receive regular reporting on the status of active Mega Projects, including but not limited to:

    i. Key risks and performance indicators;

    ii. Health, safety and environment;

    iii. Schedule;

    iv. Cost;

    v. Design;

    vi. Quality assurance;

    vii. Contractual and commercial management of the Principal Contractor;

    viii. Stakeholders, landowners and First Nations engagement; and

    ix. Responses to unexpected risk events and performance issues.

Where appropriate, the Committee will refer matters to the Chief Executive for further investigation.

(g) review and consider outputs from 2nd and 3rd line assurance activities conducted on Mega Projects, including the effectiveness of management response and actions; and

(h) review and, where necessary, make recommendations to the Audit, Risk and Compliance Committee, CopperString 2032 Project Committee and/or Board, on the adequacy and effectiveness of the application of risk appetite, risk management and assurance frameworks to Mega Projects; and

(i) refer, where appropriate, matters related to people, health, safety and environment systems and processes to the People, Safety and Environment Committee and broader audit and risk related matters relevant to Powerlink to the Audit, Risk and Compliance Committee.

The Committee may also investigate and report to the Board on any matter specifically referred to the Committee by the Board.

3. RESPONSIBILITIES

The Committee will:

(a) have documented good governance practices within which Mega Projects are to operate, ensuring information provided is fit for purpose and projects are operating within the Board's risk appetite.

(b) consider and report to the board on the Chief Executive's evaluation of management's performance and implementation of enterprise, program, and project deliverables; ensuring appropriate supporting processes and procedures are aligned and maintained within Powerlink's broader financial and operational requirements.

(c) provide guidance to the Chief Executive for Mega Projects within an appropriate risk management framework of prudent and effective controls which enable program and project risks to be managed effectively within the Board's risk appetite.

(d) foster an environment of value management and innovation in the establishment, development, and implementation of Mega Projects;

(e) foster a culture that prioritises safety in line with Powerlink's broader people management practices, with a particular focus on proactive issues management and escalation, providing support where required.

4. DELEGATIONS & AUTHORITY

To achieve its objectives in relation to Mega Projects, the Committee will:

(a) receive, or request, reports from the Chief Executive, internal auditors, external auditors, or others as required; and

(b) 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:

(a) has the delegated authority from the Board to seek and obtain information it requires from the Chief Executive and any employee of the Corporation;

(b) shall have unrestricted access to internal and external auditors; and

(c) 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 required or as requested by the Board.

5. MEMBERSHIP AND MEETINGS

5.1. Appointment

The Board shall appoint and remove the Chair and members 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.

5.2. 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).

5.3. 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 the Chief Executive or management being present.

5.4. 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

6. REPORTING AND SELF ASSESSMENT

The Committee shall:

- provide an update to the Board following each meeting and make available the minutes of all Committee meetings to Board members; and

- direct appropriate reporting of Mega Projects 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
MEGA PROJECTS 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.