

HYDRO-ELECTRIC CORPORATION
Major Projects Committee
Terms of Reference
(Approved by the Board 3 September 2024)

1. INTRODUCTION

The Major Projects Committee ('Committee') is established as a Committee of the Hydro Tasmania Board ('Board') and will continue until such time as the Board determine it is no longer required.

These Terms of Reference outline the role, responsibilities and operating procedures for the Committee as determined by the Board.

2. SCOPE

The Committee will oversee the Major Projects ("Projects"), which are:

- the redevelopment of the Tarraleah hydro scheme; and
- the Cethana pumped hydro project.

The Committee will also oversee any other major construction project that is referred to the Committee by the Board, whether or not that project is classified as a Project, such as a project proposed to materially increase hydro storage and/or generation output.

In these Terms of Reference, the projects over which the Committee has oversight are referred to as "the Projects".

The Committee will oversee: all activities required to achieve delivery of the Projects, including:

- business case development, project and program planning,
- Shareholder, Parliamentary and regulatory approvals,
- external stakeholder engagement,
- commercial and financing activities,
- related business and change management workstreams, and
- construction, and major interdependencies with related developments, policies and programs (including the North West Transmission Developments project, Marinus Link, and the Commonwealth Capacity investment Scheme).

The Committee is supported by internal governance arrangements including a Projects Steering Committee.

3. OBJECTIVES

The Committee's purpose is to assist the Board, by facilitating efficient and informed decision making and providing objective oversight of the Projects.

4. ROLES AND RESPONSIBILITIES

4.1 The Committee, supported by independent subject matter experts, is responsible for maintaining oversight of the Projects, facilitating prudent and efficient decision making and providing assurance to the Board with respect to identification and management of progress, risks and issues. The Committee will also make project decisions within its delegated authority (refer 4.2). The key responsibilities of the Committee include, but are not limited to:

- evaluating, reviewing and endorsing (for Board approval) budget for the Projects;
- providing strategic, delivery, commercial and financial oversight and endorsement of the Projects;
- assessing and recommending improvements of risk reporting, internal controls, investment proposals, procurement plans and readiness of major work packages;
- ensuring that appropriate governance structures, capabilities and resources are in place for the efficient and cost-effective delivery of the Projects;
- monitoring project performance and ensuring appropriate performance reporting and key performance indicators are in place; and
- reviewing project wide plans, including capital works, to improve efficient delivery of the Projects within approved budgets and timeframes.

4.2 Subject to paragraph 4.3, the Committee has the delegated authority from the Board as outlined in Attachment A. The scope of the Committee's delegated authority may be revised by the Board from time to time and Attachment A will be updated accordingly ensuring clarity with respect to the date of any revised change to delegations.

4.3 The Board will retain authority for, and the Committee will make recommendations to the Board with respect to the approval of:

- preliminary and final business cases;
- material changes to Project scopes and budgets;
- changes to key project milestone dates (e.g., final investment decisions) greater than three months; and
- final investment decisions.

5. MEMBERSHIP

5.1 The Committee's membership will comprise of no less than three (3) non-executive directors of the Board (including the Hydro Tasmania Chair). The CEO will be invited to attend each meeting of the Committee but is not a Committee member.

5.2 The Committee Chair shall be a non-executive director.

5.3 The terms of appointment of members are at the discretion of the Board.

- 5.4 All Board directors have a standing invitation to attend any meeting of the Committee in a non-voting capacity.
- 5.5 An officer of Hydro Tasmania shall be appointed Secretary of the Committee. The Committee Secretary shall attend all Committee meetings and is responsible for preparing the agenda in consultation with the Committee Chair, co-ordinating the preparation of papers for meetings of the Committee and keeping records of actions and minutes of meetings.
- 5.6 The quorum for a meeting of the Committee will be a majority of members appointed as at the date of the meeting. In the absence of the Committee Chair, the remaining Committee members will elect one of their members to chair the meeting.

6. APPOINTMENT OF INDEPENDENT EXPERTS

- 6.1 The Committee may appoint one or more independent expert advisors (“advisors”) who will provide advice to the Committee as more particularly described in a professional services agreement between Hydro Tasmania and the advisors.
- 6.2 Such advisors may be directed to attend and participate in Committee meetings and receive meeting papers to provide advice on relevant matters.
- 6.3 The Committee will make available to the advisors any other information or materials and access to personnel they may reasonably require in order to provide the services set out in the relevant professional services agreement.

7. RESOURCES

- 7.1 The Committee has the authority to seek any information it may reasonably require from any officer of Hydro Tasmania or its subsidiaries.
- 7.2 In addition to the advisors appointed under paragraph 6.1, the Committee may consult additional external experts at the expense of Hydro Tasmania where the Committee considers it necessary.
- 7.3 The Committee may also require, at its discretion, the attendance of any officer of Hydro Tasmania or its related companies at a meeting of the Committee.

8. REPORTING

- 8.1 The Committee Chair will report significant issues arising from Committee meetings at the next meeting of the Board. A copy of Committee meeting minutes, reviewed by the Committee Chair, will be provided to the Board.

9. GENERAL

- 9.1 The Committee will meet as frequently as required to meet its objectives, with a general expectation that meetings will be held monthly. Additional meetings may be scheduled as directed by the Board or Committee Chair, or otherwise as necessary to support efficient decision making in connection with the Projects.
- 9.2 The Committee will review its Terms of Reference at least annually.
- 9.3 Annual performance reviews of the Committee will be undertaken and reported to the Board.

10. CONFLICTS OF INTEREST

In accordance with the *Corporations Act 2001* (Cth) and the Disclosure/Conflict of Interest Procedure, Committee members must act with honesty and integrity, be open and transparent in dealings, and avoid personal interests to conflict with the interests of Hydro Tasmania and, where it exists, to identify and disclose any potential, perceived or actual conflicts of interest or related party transactions.

The declarations of interest will remain a standing agenda item for each Committee meeting and Committee members will be expected to declare the nature and extent of any actual, potential or perceived conflict of interest at the start of each Committee meeting if that interest may impact on a discussion or decision being made by the Committee.

ATTACHMENT A

COMMITTEE DELEGATED AUTHORITY

Delegation validity period ¹	Ref	Delegated authority	Scope of/limitations on authority
08.12.2023 to current	B2023.01	Approve contract for the appointment of Delivery Partner	Contract value of up to \$15m
8.12.2023 to current	B2023.02	Approve contracts for the Projects between \$10m and \$50m	Expenditure must fall within the approved budget for the relevant Project. Any contract with a risk rating under the IBRM standard of "high" must be referred to the Board.
08.12.2023 to current	B2023.03	Appointment of employees or contractors to key management roles	Appointments for roles reporting directly to the CEO must be approved by the Board.
03.09.2024 to current	B2024.01	Approve changes to Integrated Master Schedule	Authority to approve changes to the timing of the Final Investment Decision and Financial Close milestones of no more than 3 months (with notice to the Board).

¹ Any significant changes to the Operating Model for BotN will require a review of the Committee Delegated Authority to ensure it is appropriate.