



**POWERLINK QUEENSLAND**

**Audit, Risk and Compliance Committee**

**TERMS OF REFERENCE**

**June 2026**

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## 1. **OBJECTIVES**

The Audit, Risk and Compliance Committee (the “Committee”) is a committee of the Board of Directors established to assist the Powerlink Queensland Board in fulfilling its governance and oversight responsibilities by reviewing and reporting to the Board on specified aspects of Powerlink Queensland (the “Corporation”) and its subsidiaries in relation to:

- ❖ The integrity of the financial reporting process;
- ❖ The effectiveness of the Corporation’s systems of internal controls;
- ❖ The Corporation’s process for monitoring compliance with applicable laws, regulations and codes of conduct; and
- ❖ The effectiveness of the Corporation’s risk management systems.

To achieve its objectives the Committee will:

- consider the adequacy of the internal control policies, procedures and compliance systems established by management;
- review and consider the effectiveness of and the reports arising from the risk management framework;
- review and consider statutory financial information provided annually including climate-related financial disclosure information;
- review and consider the effectiveness of, and reports arising from, the Corporation’s internal and external audit programs;
- 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 Corporation’s 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 the internal and external auditor; 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.

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## **2. DUTIES AND RESPONSIBILITIES**

The Committee will:

### **2.1. Financial Integrity**

- (a) consider the adequacy of the Corporation's systems of internal control surrounding key financial processes, including computer-based systems.
- (b) consider the impact of any changes to the Corporation's key accounting policies.
- (c) review and endorse Sustainability report (climate-related disclosures).
- (d) consider the annual statutory financial statements and confirm with the Chief Financial Officer and the external auditor the Corporation's compliance with accounting standards and regulations and the appropriateness of financial policies adopted. The Committee will resolve, or refer to the Board, any differences of opinion between management and the external auditor and other issues as necessary.
- (e) review and consider reports on any major defalcations, fraud or theft, or other breakdown of the Corporation's internal controls, and assess appropriateness of actions taken by management in relation thereto.
- (f) review of the external audit processes:
  - i. communicate the Committee's expectations to the external auditor.
  - ii. review and provide input to the external auditor's overall audit approach and plan, their audit approach in risk areas, and their planned coordination with the internal auditor.
  - iii. review reports and outcomes of the external audit program.
  - iv. obtain from the external auditor confirmation of their continued independence and objectivity and assess whether the Committee is satisfied that their independence has been maintained.
- (g) review and consider exception reports on bad and doubtful debts.

### **2.2. Internal Control**

- (a) communicate the Committee's expectations to the internal auditor.
- (b) review and agree the annual internal audit plans.
- (c) monitor and review internal audit performance against its plan, its activities and its outputs.
- (d) review outcomes of internal audits (including key audit findings, management responses and progress on action plans).
- (e) obtain from the internal auditor confirmation of their continued independence and objectivity, and that they have had no restrictions placed on their functions. Review the independence of the internal auditor, particularly assessing whether the Committee is satisfied that their independence has been maintained.

### **2.3. Laws, Regulations and Codes of Conduct**

- (a) consider management's program for the ongoing identification of and compliance with relevant Laws, Regulations and Codes of Conduct.

- (b) consider the Legal Compliance Status Report presented to the Committee and assess whether the compliance program is fulfilling its purpose.
- (c) consider the Powerlink Board Handbook for currency and completeness.

## **2.4. Risk Management**

- (a) review the Corporation's Risk Policy and any necessary changes and endorse for submission to the Board.
- (b) provide input to the Executive Team as to the identification and prioritisation of significant business and audit risks.
- (c) regularly review and endorse the Enterprise Risk Profile.
- (d) monitor and review the Corporation's credit risk exposure for non-prescribed and negotiated transmission services.
- (e) monitor the Corporation's risk management process.
- (f) review the Corporation's Insurance program.

## **3. MEMBERSHIP AND MEETINGS**

### **3.1. Appointment**

The Committee will comprise at least three Board members. A quorum will be a minimum of half the number of Committee members, rounded up, for meeting and decision-making purposes.

The Board of Directors will appoint and remove members of the Audit, Risk and Compliance Committee and elect the Chair of the Committee.

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 Powerlink Company Secretary (or delegate) shall be the Committee Secretary, responsible for circulating the agenda and supporting documents to the Committee members prior to each meeting.

The Company Secretary will also be responsible for recording and keeping the minutes of meetings of the Committee, and circulating them to Committee members, with those minutes to be tabled and confirmed at the next Committee meeting.

### **3.3. Attendance**

The Chief Executive (or nominee) and the Chief Financial Officer will 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 or part of a meeting.

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

### **3.4. Frequency**

The Committee will meet at least four times each year, and may meet more frequently as necessary.

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 Company Secretary or the internal auditor or the external auditor.

## **4. REPORTING AND SELF ASSESSMENT**

The Committee Chair will:

- provide an update to the Board following each meeting and make available the minutes of all Committee meetings to Board members; and
- circulate the Legal Compliance Status Report to Directors who are not a member of the Committee.

A review of the Committee's schedule of activities will occur annually and be reported on at each meeting.

The Committee will conduct a review of the Committee's Terms of Reference at least every two years.

The Committee's performance will be reviewed as part of the annual Board performance review.