

# Performance and Investment Committee Charter

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## Role

The Performance and Investment Committee (Committee) assists the Board to discharge its duties in relation to establishing, overseeing and monitoring CS Energy's (CSE):

- plant reliability and performance and associated operational risks; and
- governance and decision making for investment in CSE's Thermal Operations, Future Energy and Corporate and Technology portfolios, to ensure alignment with CSE's long-term financial and strategic goals and within the Board's risk appetite.

## Responsibilities

### Reliability

- Monitor plant performance across CSE's generation portfolio;
- Verify Management responds to technical issues affecting or likely to affect plant performance in a timely and prudent manner;
- Review strategic asset management plans, including plant operating mode and asset life planning; and
- Consider other significant technical matters, particularly matters related to plant capability and reliability being undertaken or addressed by the Company.

### Operational Risks

Monitor operational risks relating to CSE's operations and plant related risks.

### Investments

- Review the allocated project investment funds within Thermal Operations portfolio, Future Energy portfolio and within the Corporate and Technology portfolio;
- Monitor the management and governance of overhauls and major capital work projects;
- Verify that the long-term financial investment portfolio recommendations and strategic goals are line with the Statement of Corporate Intent and Corporate Plan and within the Board's risk appetite;
- Monitor the portfolio approach to investment decisions and governance standards;
- Review the proposed business case benefits and criteria for investment decisions;
- Review the benefits realised from investment decisions and monitor any difference between anticipated and actual benefits.

## Authority and Delegation

The Committee:

- is a Board committee and not an executive committee;
- must not perform any management functions or assume any management responsibilities and will have an objective, independent role; and
- will act in terms of the delegated authority of the Board as recorded in this Charter.

Despite the delegations below, the Committee Chair may determine, at their discretion, that any matter should instead be referred to the Board for the Board's consideration.

## Specific Delegations

Specific delegations preclude the CEO (or their sub-delegates) from approving these matters unless the Committee makes a specific sub-delegation in relation to them.

## Financial Delegations

The Committee can:

1. Approve individual investments within the Thermal Operations portfolio of up to \$15 million, which are within budget and are part of an existing work program, with approved asset strategies;
2. Approve individual investments within the Customer & Growth portfolio for growth asset investments of up to \$10 million, which are within budget and aligned with approved growth investment strategies, but not including investments which rely on alternative funding or operational structures;
3. Approve other individual Enterprise investments up to \$10 million which are within budget and are part of an existing work program, with approved asset strategies; and
4. Approve out of budget individual investment of up to \$5 million, with total expenditure not exceeding the individual category (1 to 3) investment limit.

Any investments which are either above the investment category<sup>1</sup> limit or represent new asset strategies not previously endorsed, will be reviewed by the Committee and provided to the Board for consideration with the Committee's recommendation.

## General Delegations

The Committee may also consider and approve, on behalf of the Board, any matter recommended to it by Management (whether it wholly or partly accepts the Management recommendation, or not), where the matter:

- is directly relevant to the Role of the Committee or Responsibilities above;
- does not more directly rest within another Board Committee's delegated authority; and
- is not reserved to the Board in the Authorities and Delegation Policy or any other policy.

The Committee may direct any investigations or obtain independent advice (including legal advice) where considered necessary to discharge its responsibilities.

In the event of any doubt (raised by Directors or Management) as to whether the Committee has delegation to decide or investigate a matter, the Committee Chair may determine whether the decision is within the delegation of this Committee. The determination of the Committee Chair and the decision is to be reported to the next Board meeting.

These general delegations do not preclude the CEO (or their sub-delegates) from exercising duly delegated authority in these matters.

## Composition

The Board will appoint at least three non-executive Directors to the Committee who, in the opinion of the Board:

- Are independent of the Company management and free from any relationship that, in the business judgment of the Board, would interfere with the exercise of their independent judgment as a member of the Committee; and
- Have sufficient financial knowledge and industry understanding to enable them to discharge their duties.

Members will be appointed to the Committee for as long as they remain a Director of CSE or until such time as the Board determines otherwise.

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<sup>1</sup> Investment Categories include Thermal Operations, Customer & Growth – Growth Investments, Other Investments.

The Committee Chair will be a member of the Committee, as appointed by the Board. All Directors have a standing invitation to attend meetings of the Committee.

A quorum consists of two Committee members. Where only one Committee member is available, then any other Board Director may attend to constitute a quorum.

The Secretary of the Performance and Investment Committee will be the Company Secretary, or such other person as nominated by the Board.

The Performance and Investment Committee may invite such other persons to attend its meetings (e.g. the Chief Executive Officer and relevant executives) as it deems necessary.

## Procedures

The Committee will meet as frequently as required, but at least three times per year.

The Committee Chair may call a specific Committee meeting if requested to do so by the Board, any Director of the Board.

If the Committee Chair is not available within five minutes of the scheduled start time of a meeting, then the Committee will elect an interim Chair from among the members for that meeting.

The Committee Secretary is jointly responsible with the Chief Executive Officer for settling the agenda which will be agreed with the Chair prior to a meeting. The Secretary is responsible for keeping the minutes of the meetings of the Committee which will be prepared and circulated to the Committee and Board after each meeting.

The Committee Chair must report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider and other matters relevant to the Committee's role and responsibilities.

The Committee may have access to adequate internal and external resources, including seeking advice (including legal advice) or assistance from external advisors or consultants if required to enable the Committee to fulfil its role. It may also direct any investigations or obtain independent advice (including legal advice) where considered necessary to discharge its responsibilities.

## Committee Reporting and Self Evaluation

A summary of the role of the Committee may be included in the Company annual report.

Committee self-evaluation will be conducted as part of the full board evaluation and self-assessment processes.

## Review of Committee Charter

The Committee will review this Charter at least annually and recommend any changes to the Board. A copy of the Charter is available at [www.csenergy.com.au](http://www.csenergy.com.au).

## Conflicts and Conduct

Committee members will comply with the Board and CSE's standard and procedures in relation to management of conflicts of interest.

Directors are expected to abide by the CSE [Code of Conduct](#).

The Board of CSE has also elected to adopt its own [Director Code of Conduct](#).