



NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED
PORTS CORPORATION OF QUEENSLAND LIMITED
MACKAY PORTS LIMITED

BOARD CHARTER

1. OBJECTIVE OF THE CHARTER

The Company is a Government Owned Corporation (GOC) or a subsidiary of a GOC and is subject to the Government Owned Corporations Act 1993 (GOC Act). The Company is also a public company incorporated under the Corporations Act 2001.

The Board Charter sets out the roles and responsibilities of the Board and of management in the undertaking the business of the Company, as well as some administrative matters relating to the Board.

2. OBJECTIVE AND ROLE OF THE BOARD

The Board's primary objective is to ensure that the Company is undertaking its business in the best interests of the shareholders in accordance with the objects of the Constitution of the Company and the requirements of the GOC Act. The Board has ultimate responsibility for the operation of the business of the Company, subject to the reserve powers of its shareholders under the GOC Act.

In ensuring this outcome, the Board's role is to work with and through the CEO to:

- Develop and approve the strategic direction and goals of the Company;
- Oversee the plans of management to achieve these strategies and goals and review progress at regular intervals;
- Monitor and supervise the performance of the Company in achieving its strategies and goals;
- Ensure that effective risk management and other business systems are in place and properly used;
- Ensure that an appropriate policy framework is in place, and approve key policies and delegations to management;
- Provide accountability to the shareholders for performance of the Company;
- Set the appropriate values and culture for the Company.

The role of the Board specifically includes:

- Responsibility for the Company's commercial policy and management;
- Ensuring that, as far as possible, the Company achieves and acts in accordance with its Statement of Corporate Intent;
- Accounting to the Company's shareholders for its performance as required by the GOC Act and other laws applying to the Company;
- Ensuring that the Company otherwise performs its functions in a proper, effective and efficient way.
(extract from section 88 of the GOC Act).

3. MEMBERSHIP

Composition

The membership of the Board consists of those directors appointed by the Governor in Council or as otherwise appointed in accordance with the constitution of the Company. A quorum for the Board is as set out in the constitution of the Company.

Collectively, the membership of the Board should possess:

- A thorough understanding of the core activities of the Company and the environment in which it operates, including its strengths, weaknesses, opportunities and threats;
- A commitment to the continual improvement of the outputs that the Company delivers and that contribute to the achievement of the Company's mission and the commitments in its SCI and Corporate Plans;
- Strong business acumen and management skills;
- A high level of understanding of best practice employee relations, industrial relations and remuneration and motivation concepts;
- A high level of competency in financial and operational reporting;
- An inquiring attitude, objectivity and independence; and
- A strong, demonstrated sense of probity and ethical conduct.

The Board should inform its shareholding Ministers if it believes the current composition of the Board does not meet these standards.

Members of the Board are required to familiarise themselves with the Company and to take reasonable steps to ensure that they are informed about the business to make informed decisions.

Individual Board members are responsible collectively for Board decisions and Board members should (to the fullest extent required by law) support and adhere to all Board decisions. Members can exercise a dissenting view on particular decisions, which should be appropriately minuted.

Role of Board Chair

The Chair of the Board leads and directs the activities of the Board. Responsibilities of the Chair include:

- Ensuring, in concert with the Board, the Company establishes a clear strategic direction and appropriate policy framework;
- Represent the Company in key stakeholder (customer, community etc) forums;
- Liaising with and reporting to shareholding Ministers;
- Setting the Board agenda;
- Facilitating the flow of information and discussion;
- Ensuring the Board operates effectively;
- Reviewing Board and organisational performance;
- Inducting and supporting Board members.

Induction of New Members

The Board Charter will be supplied to new appointees as directors to the Board as part of their general induction. The Chair will personally ensure that, on appointment to the Board, the appointee is familiar with the current Board Charter and is briefed on key current issues. The "Directors Briefing Document" is supplied and documents the expectations of directors and the legal and operating environment of the Company.

Professional Development

Directors have a personal obligation to acquire and maintain the skills and knowledge to perform their role as a director of the Company. The Board will support ongoing development of individual directors as appropriate to ensure, collectively, the Board has the skills and knowledge to perform its role.

Compliance with Policy

Each director has a duty to comply with the law and binding Government and Company policies.

Appointment of Board Secretary

An appropriate officer will be appointed as the Secretary of the Board.

4. SHAREHOLDING MINISTERS

Shareholding Ministers should be kept informed of operations, financial performance, position and any other matter which may be required (s122 GOC Act).

The Board must give to the shareholding Ministers a report for each quarter (s119 GOC Act).

5. ROLE OF CEO

The Chief Executive Officer's duty is to manage the day to day operations of the Company. The CEO is the primary link between the Board and the executive management. In addition to managing the day to day affairs of the Company, the responsibilities of the CEO include:

- Communicating Board policies and priorities to staff;
- Presenting organisational reports, submissions and budgets to the Board.

The CEO works closely with the Chair and the Board.

6. ROLE OF MANAGEMENT

The Board acts only as a group and is focussed on the governing of the Company. Management is focussed on the day to day running of the Company in accordance with the directions and delegations of the Board. As a consequence, the Board will tend to concentrate on longer time frames and more strategic levels than management.

7. ADMINISTRATIVE ARRANGEMENTS

The Board will meet formally at least 9 times a year unless otherwise determined. Agenda papers will be prepared and distributed at least four days prior to each meeting. Where the Chair considers appropriate, matters may be dealt with by the Board through "out of session" approval.

Minutes of each meeting will be recorded and accepted at the next meeting. The Chair is to receive the original minutes from the prior meeting for review with the agenda for the next meeting. The Chair is responsible for ensuring the minutes are an accurate record and will sign the minutes as confirmation. Out of session resolutions will be recorded in the following month's minutes.

8. ACCESS TO INFORMATION AND ADVICE

Access to Records

- The Board shall be provided with all necessary access to internal documents, reports, records and personnel in pursuit of its mandate.
- Specific requests in this regard should be directed to the Chief Executive Officer or Board Secretary.

Engagement of External Resources

The Board may engage appropriate consultants so far as is necessary to properly fulfil its mandate.

Engagement with Senior Management

The Directors will inform the CEO either before or after engaging in discussions with Senior Managers of NQBP in relation to substantive NQBP business issues.

9. BOARD EVALUATION

A summary of the role and achievements of the Board will be included in the annual report of the Company, together with a statement that the Board has observed the terms of its charter and had due regard to relevant legislation, relevant binding policies of the Government and Company policies.

The Chair meets annually with directors on an individual basis to review competencies and obtain feedback on Board performance.

Results of any performance evaluation of the Board will remain confidential. Results of performance evaluation will be discussed on an as required basis by the Chair with the shareholding Ministers. If a material concern has been identified, the Chair will raise directly with the shareholding Ministers.

10. APPLICATION

The Board Charter applies to the NQBP Group.

11. CHARTER REVIEW DATE

This Charter should be reviewed by 30 June 2019.

12. DEFINITIONS

NQBP: means North Queensland Bulk Ports Corporation Limited ACN 136 880 128.

NQBP Group: means NQBP and its related bodies corporate including Ports Corporation of Queensland Limited ACN 126 302 994 (PCQ) and Mackay Ports Limited ACN 131 965 707 (MPL).

Company: means NQBP, PCQ and/or MPL, as the context requires.

**North Queensland Bulk Ports
Strategic Planning Framework**

Stage / Focus	Board Contribution	Management Contribution	Output
<p>Strategic Development:</p> <p>Environmental review and organisation performance analyses, alternative scenarios for the future, alternative strategic pathways and risk reward analyses, mission, vision, value and goals</p>	<p>Role</p> <ul style="list-style-type: none"> • Provide alternative perspectives • Provide future focused thinking • Pressure test and enhance management's thinking • Set appetite for risk and ethics standards • Constructive engagement • Establish clear sense of direction and focus for the organisation • <p>Processes</p> <ul style="list-style-type: none"> • Capture of matters of strategic significance at each Board and Committee meeting • Development of annual approach and agenda for annual strategic planning workshops and or more frequent strategic conversation/insight sessions. (May-July) • Active engagement in the strategic planning workshops (November–February) and sessions 	<p>Role</p> <ul style="list-style-type: none"> • Be the 'champion' • Prepare high quality, relevant information and discussion papers • Highlight risk-reward trade-offs • Constructive engagement • Document agreed next steps <p>Processes</p> <ul style="list-style-type: none"> • Engagement by the Executive Committee of the organisation to contribute to strategic planning process • Review of Futures Strategy, SWOT analysis, Business Model, current Strategic Plan, emerging strategic issues and strategic drivers. • Development of briefing/discussion papers to address the agenda for the strategic planning workshops • Active engagement in the strategic planning workshops 	<p>Broad strategic directions paper expressed in an effective agenda and strategic briefing material (where relevant) for the annual Strategic Planning Workshops</p>
<p>Strategic Planning:</p> <p>Elaborate the outputs of the Strategic Development Stage into a more detailed strategic plan, allocate resources and identify the KPIs and people talent necessary for implementation</p>	<p>Role</p> <ul style="list-style-type: none"> • Review and enhance management's recommendations where appropriate • Set the urgency and pace of implementation • Approve plans and resources • CEO succession planning • Identify performance indicators the Board will monitor – lead and lag <p>Processes</p> <ul style="list-style-type: none"> • CGAP to debrief strategic planning workshop • Formally adopt strategic plan (Feb - April) 	<p>Role</p> <ul style="list-style-type: none"> • Develop and a strategic plan for final Board review and endorsement • Identify KPIs (lead and lag) that can cascade down through the organisation • Identify resource requirements • Management succession planning <p>Processes</p> <ul style="list-style-type: none"> • Document strategic plan following (September- November) workshops 	<p>Strategic Plan</p>

Stage / Focus	Board Contribution	Management Contribution	Output
	<ul style="list-style-type: none"> Confirm agreed KPIs and targets 	<ul style="list-style-type: none"> Review KPIs for Strategic Plan and PPA targets for the FY commencing 1 July next 	
<p>Strategic Implementation:</p> <p>Execute the agreed plan efficiently and effectively, recognise business environment changes and adjust activities accordingly</p>	<p>Role</p> <ul style="list-style-type: none"> Ensure strategic readiness Monitor progress against KPIs and milestones Ongoing strategic dialogue with management Base on changing circumstances approve changes to strategic plan and relevant performance indicators. 	<p>Role</p> <ul style="list-style-type: none"> Communicate the strategy Drive organisational alignment with the strategy Drive execution Monitor progress against KPIs and milestones Monitor business environment changes Change the execution if warranted Propose changes to the strategy if warranted 	<p>Achievement of goals</p> <p>Competitive advantage</p> <p>Ongoing culture of success</p> <p>Strategic alignment</p>
	<p>Processes</p> <ul style="list-style-type: none"> Proposed wording: Board to consider a mid-year and full year review of Strategic Plan 	<p>Processes</p> <ul style="list-style-type: none"> Roll out strategic plan for all staff and shareholders Initiate any new resourcing arrangements to enable/facilitate implementation Incorporate the Strategic Plan into 1 and 10 year budget planning, Corporate Plan and SCI development for the FY commencing 1 July next Monitor implementation and report progress against agreed KPIs and targets to the Board on a quarterly basis Executive Committee to undertake a structured mid-year review of the Strategic Plan with outcomes to be considered by the CGAP Committee (May) Proposed wording Executive Committee to undertake a structure mid-year and year-end review of the Strategic Plan with outcomes to be considered by the Board. 	