

BOARD CHARTER



PURPOSE

The Port Taranaki Board (“**the Board**”) is responsible for the corporate governance of Port Taranaki Limited (“**PTL**”).

This Charter and the Board Committee charters set out the role, responsibilities and structure of the Board and provide guidance for the effective oversight of PTL by the Board on behalf of its Shareholder and key stakeholders. The Board is legally responsible for the affairs and activities of the Company. This Charter should be read in conjunction with the Company’s Constitution. In the event of any inconsistency between this Charter and the Constitution, the Constitution will prevail.

The Board is committed to high standards of corporate governance and has adopted the following governance objectives:

1. To lay solid foundations for management and oversight;
2. To structure itself to add value through its collective capability and commitment;
3. To promote ethical and responsible decision-making and to act ethically and responsibly;
4. To safeguard the integrity of its corporate reporting;
5. To respect the rights of its Shareholder;
6. To recognise and manage risk;
7. To remunerate all employees fairly and responsibly;
8. To ensure that PTL acts as a good corporate citizen, in particular having a high regard for environmental and social performance; and
9. To promote a Company culture that embraces diversity and inclusion.

BOARD ROLE AND RESPONSIBILITIES

The Board’s primary role is to effectively represent and promote the interests of the Shareholder while protecting and enhancing the value of the Company.

In carrying out this role the Board will be cognisant of the Company’s vision, mission, and values.

Having regard to its role, the Board will direct and supervise the management of the Company and its affairs, including:

Governance

- Appointing the Chair and, if the Company has one, the Deputy Chair.
- Establish (and disband) Board Committees as considered necessary.
- Having responsibility for overall governance and monitoring the effectiveness of the Company's governance practices, including reviewing the performance of, necessity for and composition of Board Committees.
- Ensuring that Board capability is reviewed, and recommendations are made for new Directors;
- Determining the Board's annual objectives and work plan; and
- Acting in a way to ensure that Board meetings and Board discussion promotes focused debate within a supportive team atmosphere.

Strategy

- Ensuring that the strategic goals of PTL are clearly established (with appropriate supporting business plans), and that strategies are in place for achieving them;
- Ensuring there are adequate resources available to meet the Company's strategies and operational needs;
- Deciding on the steps necessary to protect PTL's financial position and its ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Establishing policies for strengthening the performance of PTL, including ensuring that Management is pro-actively seeking to grow the business by growing trade, improving productivity and through innovation and initiative; and
- Setting PTL's dividend policy and the amount and timing of dividends to be paid.

Management

- Monitoring the performance of Management, including overseeing implementation of PTL's strategic objectives and performance;
- Appointing the Chief Executive, setting the terms of the Chief Executive's employment contract, reviewing the performance of the Chief Executive and, where necessary, terminating the Chief Executive's employment;

- Approving Executive Leadership Team appointment, remuneration and monitoring performance against objectives; and
- Reviewing succession and development plans for the Chief Executive and Executive Leadership.

Reporting and Disclosure

- Approving and monitoring PTL's financial statements and other accounting reporting systems, including the external audit and reporting to Shareholder and other stakeholders;
- Ensuring PTL's financial statements are true and fair and conform with law;
- Ensuring PTL provides effective and timely reporting to its Shareholder;
- Overseeing accounting and reporting systems (including the external audit and the evaluation of the auditor's performance and ongoing independence);
- Approving the PTL's Statement of Corporate Intent; and
- Approving PTL's corporate disclosures.

Ethics

- Reviewing PTL's Code of Business Conduct and Code of Personal Conduct; and
- Ensuring that PTL adheres to high standards of ethics and corporate behaviour.

People

- Approving and monitoring PTL's health, safety and environment system with a view to ensuring that PTL's employees, contractors and port users return safely home every day;
- Reviewing employment and remuneration practices to ensure that talented and motivated staff are recruited and retained; and
- Approving the remuneration framework.

Expenditure

- Setting specific limits on the authority for Management to commit to new expenditure, enter contracts or acquire businesses or assets without specific prior Board approval (i.e. approving the Delegated Authorities Policy) and approving any transactions above the specified delegated authority limits;
- Approving and monitoring the progress of major capital expenditure, capital management and material acquisitions and divestments; and
- Approving the annual budget and Business Plan.

Risk Management

- Ensuring that PTL has appropriate risk management/regulatory compliance policies and processes in place and monitoring the integrity of those policies and processes.
- Reviewing and approving PTL's risk tolerance;
- Identifying and reviewing significant risks, ensuring appropriate controls are in place, and overseeing the transfer of material risk (including through insurance);
- Resourcing the Company to close gaps in risk appetite versus the existing risk level;
- Approving the Company's Treasury Policy;
- Approving the placement of PTL's insurance programme; and
- Ensuring appropriate audit and risk management systems are established to manage risk within PTL's risk capacity and tolerance.

DIRECTOR CONDUCT

Each Director must apply an independent and enquiring mind, as well as his or her own knowledge of the Company and its business, to evaluate a given matter and to form his or her own opinion on that matter.

Directors are required to be fully prepared for and make every effort to attend each meeting of the Board and the Committees of which they are a member. Directors are expected to participate fully, frankly, and constructively in Board discussions and other activities, and to bring the benefit of their knowledge, skills, and abilities to the Board table.

Directors may rely on information provided by any Committee of the Board and its members in relation to matters within the Committee's responsibility under the terms of this Charter. However, this reliance requires Directors to act in good faith, make proper inquiry and having no knowledge that such reliance is unwarranted.

Directors must not substitute any information or advice provided by Management or an employee or external professional adviser for his or her own examination of important matters.

Directors are entitled to rely on information or advice from Management and employees on matters within their responsibility, and on external professional advisers or experts (including the Company's auditors) on matters within their professional or expert competence, provided that:

- (i) the Directors do not know, or have reason to believe, that such reliance is unwarranted;

- (ii) the Directors have reasonable grounds to believe that each person on which the Board relies is reliable and competent in relation the matters concerned; and
- (iii) the Directors make proper inquiry where the need for inquiry is indicated by the circumstances (including whether further information is required or available in order to decide on a given matter).

It is the responsibility of each Director to bring to the attention of the Board any issue which a Director becomes aware of which is relevant to the ability of the Board to fulfil its responsibilities.

Directors are expected to observe the highest standards of ethical behaviour and where relevant adhere to the Company's Code of Business Conduct where relevant.

BOARD COMMITTEES

The Board may, from time to time, establish appropriate Committees to assist it by focusing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.

Board Committees will only be formed when it is efficient or necessary to facilitate efficient decision-making. Board Committees will, as far as is appropriate, observe the same rules of conduct and procedure as the Board unless the Board determines otherwise. Board Committees will only speak or act for the Board when so authorised. The authority conferred on a Board Committee will not derogate from the authority delegated to the Chief Executive or the responsibility of the Chair.

Each Board Committee shall have a written charter approved by the Board. The members of each Board Committee (including Committee Chair) will be appointed by the Board with the membership of Committees based upon the needs of the Company, relevant legislative and other requirements and the skills and experience of the individual Directors.

All Directors receive the papers for each Committee. Formal minutes of each Committee meeting are prepared and circulated to Directors. A verbal report is also provided at the next Board meeting. The role, function, charter, performance, and membership of each Committee are reviewed by the Board on an annual basis.

The Board has two standing Committees:

- the Audit and Risk Committee; and
- the Health, Safety and Environmental Governance Committee.

The Board may also delegate specific functions to ad hoc Committees on an "as needs" basis. The powers delegated to these Committees are set out in Board resolutions.

RELATIONSHIP BETWEEN THE BOARD AND MANAGEMENT

The Board maintains a formal set of Delegated Authorities which clearly define the responsibilities that are delegated to Management and those retained by the Board. These Delegated Authorities are subject to review and approval by the Board every two years.

The Chief Executive is accountable to the Board for the exercise of, and compliance with, the Delegated Authorities Policy.

In the normal course of events, day-to-day management of PTL will be the responsibility of Management through a delegation of the Board's authority to the Chief Executive.

Management will be responsible for implementing the strategic objectives set by the Board.

Management should provide the Board with sufficient timely and candid information to enable the Board to perform its responsibilities.

Directors have access to PTL's Management through the Chair or Chief Executive at any time. Directors may seek briefings from Management on specific matters.

THE BOARD'S RELATIONSHIP WITH THE SHAREHOLDER AND STAKEHOLDERS

The Board will use its best endeavours to familiarise itself with issues of concern to the Shareholder and significant stakeholders, including customers, staff, and the communities in and around the Port. The Board recognises that the Company's prosperity is closely intertwined with the environment and the markets within which it operates. The Board supports and endorses the Company's vision and seeks to ensure that the Company is seen as a responsible corporate citizen and is a successful and sustainable business that the region and community are proud of.

The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the Business or the interests of the Shareholder and, where appropriate, will take outside expert advice on these matters.

BOARD COMPOSITION

The composition of the Board will reflect the duties and responsibilities it is to discharge and perform and in setting the Company's strategy and seeing that it is implemented. The Board composition will be such that it:

- has the appropriate mix of skills, experience, expertise and diversity required;
- has a proper understanding of, and competence to deal with, the current and emerging issues of PTL;

- exercises independent judgement;
- encourages the enhanced performance of PTL; and
- can effectively review and challenge the performance of Management.

The size of the Board will be in accordance with PTL's Constitution. It must be large enough to ensure a range of knowledge, views, and experience.

The Board will consider board succession, including the succession of the Chair, to maintain an appropriate mix of skills, experience, expertise, and diversity on the Board.

The Board will review the time commitment required by Directors to PTL Board matters.

BOARD EDUCATION

All new Directors will undertake an induction programme aimed at deepening their understanding of PTL, its business activities, and the environment and markets in which it operates. As part of the programme, new Directors will receive essential Board and PTL information and will meet Management.

Directors are expected to undertake any necessary continuing professional education to enable them to discharge their duties and will keep themselves abreast of changes and trends in the business and in PTL's environment and markets, and the economic, political, social and legal climate generally.

Directors are given the opportunity to attend professional development courses to assist them in keeping up to date with relevant issues.

The Company will, upon claim, reimburse members for their annual membership fee to the Institute of Directors of New Zealand.

BOARD PERFORMANCE

The Board will undertake an annual evaluation of its own performance, its own processes and procedures against the requirements of this Charter to ensure that they are not unduly complex, are designed to assist the Board in effectively fulfilling its role and are delivering to a high standard. The Board will discuss its composition and effectiveness annually.

The Board will also annually assess the performance of individual Committees, the performance of individual Directors and the Chair's contribution and performance.

An independent review of the performance of individual Directors and the Board will be undertaken biannually.

CHAIRPERSON AND DEPUTY CHAIRPERSON

The Board will appoint a Chair from among the Directors.

The Chair is responsible for the leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chair also has specific responsibility for:

- representing the Board to Shareholders;
- ensuring the integrity and effectiveness of the governance process of the Board;
- maintaining regular dialogue with the Chief Executive over material operational matters and promptly consulting with the remainder of the Board over any matter that gives cause for significant concern;
- acting as facilitator at meetings of the Board and ensuring that Directors have the opportunity to air differences, explore ideas, and generate a collective view necessary for the proper operation of the Board and Company; and
- ensuring that Board discussions result in logical and understandable outcomes and provide clear guidance to the Chief Executive regarding expected outcomes.

The Board may appoint a Deputy Chair from among the Directors. A Deputy Chair will undertake any duties required by the Board and deputise for the Chair in his or her absence or at his or her request.

If the Board has not appointed a Deputy Chair a nominated Director will deputise for the Chair in his or her absence or at his or her request.

CHIEF EXECUTIVE

The Chief Executive is charged with the day-to-day leadership and Management of PTL. The Chief Executive also has the responsibility to manage and oversee the interfaces between PTL and the public and to act as the principal representative of PTL.

The Chief Executive, together with the Executive Team, is responsible to the Board for the development and implementation of strategy and the overall management and performance of PTL.

The Chief Executive manages the Company in accordance with the strategy, business plans, budgets and policies approved by the Board to achieve the Company's strategies, goals, and targets.

Decisions reserved for the Board and delegations to the Chief Executive are set out in the Delegated Authorities Policy. Any matters outside those contained in the Delegated Authorities Policy must be referred to the Board for approval.

Between Board meetings, the Chair will maintain an informal link between the Board and the Chief Executive and will be kept informed by the Chief Executive on all important matters. The Chair will be available to the Chief Executive to provide counsel and advice where appropriate.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

The Company Secretary is responsible for ensuring that the statutory functions of the Board and PTL are appropriately dealt with and for bringing to the Board's attention any failure to comply with such statutory functions, of which the Company Secretary becomes aware.

All Directors, particularly the Chair, have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the Business.

CONFLICTS OF INTEREST

Directors must disclose to the Company and actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue and take any necessary and reasonable measures to try and resolve the conflict.

Directors will minimise actual, potential, or perceived conflicts of interest by restricting involvement in any businesses that would be likely to lead to a conflict of interest.

In certain circumstances, Directors are required to abstain from participating in any discussion or voting on matters in which they have a material personal interest.

The Company Secretary will maintain a register of dealings in securities and declarations of interest by Directors and the Executive Leadership Team and report them to the Board at each Board meeting.

BOARD MEETINGS

Board meetings and meetings of Directors (held in the absence of Management), are held on a regular basis, as determined annually in advance by the Board.

Directors unable to attend a meeting will advise the Chair at as early a date as possible.

The agenda for each meeting is set by the Chair and Chief Executive to meet the needs of the Company and to address the matters set out in the Board's annual work plan. Any Director may approach the Chair and request that an item be added to the agenda for a meeting.

The Chief Executive, Chief Financial Officer, Company Secretary, and other Executive Leadership Team members attend Board meetings by standing invitation but may be asked to leave at any time.

The Board may invite other such persons to its meetings or part thereof, as it deems necessary or appropriate, noting that a person may not be present for the

consideration of a matter if the invited person has a material issue or conflict in that matter.

All Directors and other attendees at Board and Committee meetings are, as officers, required to keep all information presented to (whether written or oral) or discussed at Board and Committee meetings confidential and only use and disclose this information in the proper discharge of their duties to the Company.

Board meetings may be convened and conducted via remote technology (e.g. Microsoft Teams/Zoom etc.).

Minutes will be taken of all Board and Committee meetings. All discussions and the record of the meeting will remain confidential unless there is a specific direction from the Board or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

DIRECTOR FEES

The Board recognise that setting Director fees is a matter for the Shareholder and that the Board will write to the Shareholder setting out its views on Director fees to ensure that the Shareholder is fully informed in its consideration.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at the Company's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director. If a Director considers such advice is necessary, the Director shall first discuss it with the Chair.

Subject to the prior approval of the Chair, the cost of the advice will be reimbursed by the Company, but the Director will ensure, so far as is practicable, that the cost is reasonable. This advice shall generally be made available to all other Directors.

All Committees of the Board have access to independent professional advice on this basis.

Approved by Board 15 April 2021