



Port of Tauranga

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Board Charter

15 December 2023

Introduction

In carrying out its responsibility and powers as set out in this Charter, the Board of Port of Tauranga Limited (POTL) will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of POTL stakeholders, including its shareholders, employees, customers and the wider community.

In carrying out its activities, the Board is committed to achieving the highest standards of corporate governance.

Role of the Board

The Board is ultimately responsible for setting the strategic direction of POTL, oversight of the management of POTL and direction of its business strategy, with the ultimate aim being to increase shareholder value. The Board is accountable to shareholders for the performance of POTL.

Responsibilities of the Board

In carrying out its principal function, the Board's specific responsibilities include:

- providing, in consultation with the Chief Executive, strategic direction for, and approving, POTL's business strategies and objectives;
- reviewing and approving POTL's budgets, business plans, capital expenditure plans and monitoring the management of POTL's capital;
- determining dividend policy and the amount, nature and timing of dividends to be paid;
- providing leadership of POTL within a framework of prudent and effective controls which enables risk to be assessed and managed;
- leading health and safety in POTL, ensuring POTL adheres to high standards of health and safety, reviewing and endorsing the Health and Safety Policy, fulfilling all director due diligence obligations and regularly monitoring actual health and safety performance;
- reviewing and endorsing POTL's Environmental Policy and monitoring environmental performance on a regular basis;



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- identifying the principal risks faced by POTL and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- monitoring the operational and financial position and performance of POTL;
- requiring that financial and other reporting mechanisms are put in place by the Chief Executive which result in adequate, accurate and timely information being provided to the Board and POTL's shareholders, and the financial market as a whole being fully informed of all material developments in compliance with POTL's continuous disclosure obligations;
- appointing, and where appropriate, removing the Chief Executive, approving other key executive appointments that the Board may designate from time to time and monitoring the performance of the Chief Executive, having regard to POTL's strategic direction and goals;
- reviewing and approving POTL's remuneration policies;
- ensuring that the Directors' Board and Committee fees are reviewed and recommendations are made to shareholders;
- establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- approving and regularly reviewing POTL's internal decision-making and compliance policies and procedures, including the Code of Ethics, this Board Charter and the charters of the Board's Committees;
- requiring that POTL's internal decision making and compliance policies and procedures are adhered to, to ensure that the business of POTL is conducted in an open and ethical manner;
- appointing the Chair of the Board;
- approving the external auditor's remuneration; and
- reviewing the effectiveness of POTL's Diversity and Inclusion Policy.

Delegation of Responsibilities to Management

The Board delegates management of the day-to-day affairs and management responsibilities of POTL to the Chief Executive and other executives of the Group to deliver the strategic direction and goals determined by the Board. This delegation includes:

- operating POTL's business within the parameters set by the Board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the Board for its consideration and approval;



- developing budgets, business plans, capital expenditure plans and POTL strategies for the Board's consideration and, to the extent that they are approved by the Board, implementing these budgets, plans and strategies;
- identifying and managing business risks, and if those risks could materially affect POTL or its business, formulating strategies to manage those risks;
- managing POTL's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
- implementing POTL's internal controls, policies and procedures and monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

Delegation of Responsibilities to Committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee, the Board shall adopt a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee. The Board currently has the following committees:

- the Audit Committee;
- the Board Health and Safety Committee;
- the Nomination Committee; and
- the People and Remuneration Committee.

The Board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

Membership

The Constitution provides that the number of Directors must at any time be no more than nine and no less than six. Subject to these limitations, the number of Directors to hold office will be fixed from time to time by the Board.

Directors will receive induction training upon appointment, and maintain appropriate levels of financial, legal and industry understanding, throughout their appointment.

POTL will enter into written agreements with each newly appointed Director, establishing the terms of their appointment.



A majority of the Directors should be independent. A Director is only to be regarded as independent if they do not have any direct or indirect interest or relationship that could reasonably influence, in a material way, the Director's decisions in relation to POTL. The Committee's charter will be reviewed annually.

Without limiting this definition, a Director will be deemed not to be independent if they:

- are a substantial security holder of POTL, or an associated person of a substantial security holder (other than solely as a consequence of being a Director); or
- have a relationship (other than in their capacity as a Director of POTL) with POTL or a substantial security holder of POTL (or one of their associated persons has such a relationship) and, by virtue of that relationship, that Director (or associated person) is likely to derive, in the current financial year of POTL, a substantial portion of their annual revenue during such financial year.

Equally, a Director will be independent if they are not a member of management of POTL or a related company and they:

- have not been employed in an executive capacity by POTL or any related company, or been a Director after ceasing to hold such employment, within the last three years; or
- have not been a principal of a material professional adviser or a material consultant to POTL or a related company, or an employee materially associated with the service provided, within the last three years; or
- are not a material supplier or customer of POTL or a related company, or an officer of (or otherwise materially associated with) a material supplier or customer; or
- are not, or were not within the last three years, employed by the external auditor to POTL or a related company; or
- have no material contractual relationship with POTL or a related company other than as a Director; or
- have not served on the Board for a period which could, or could be reasonably perceived to, materially interfere with their ability to act in the best interests of POTL; or
- are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of POTL; or
- have been a Director of POTL for a period of 12 years or more.

The Board shall identify which Directors it has determined, in its view, to be independent no later than 10 business days following POTL's Annual Shareholders' Meeting (and no later than 10 business days following the Directors' appointment in respect of Directors appointed by the Board), and immediately after making such determination, shall release



such information to the market. The Board must also include a statement as to which Directors are independent in its Integrated Annual Report.

The Board shall regularly review the independence of each Director in light of interests disclosed.

Terms of Appointment

- The appointment of a Director is a shareholder decision and for a term or subsequent term of three years.
- A Director standing for re-election will inform the Board in advance and the Board will advise the Director of their support or otherwise.
- The Board's decision to support or not support a further term will not prevent a Director from standing, but should he/she stand, the decision on support will be advised to the Annual Shareholders' Meeting where the Director's candidacy is being determined.
- The Board has determined that good governance requires regular renewal of the Board. A normal term of service for a Director is nine years but can extend beyond this term with continued Board and shareholder support.
- Directors are encouraged to hold shares in POTL.

Chair

The Chair must be independent.

The Role of the Chair

The Chair:

- carries out a leadership role in the conduct of the Board and its relations with shareholders and other stakeholders;
- maintains a close professional relationship with the Chief Executive and the Senior Management Team;
- is to chair Board Meetings, as well as Annual Meetings of shareholders, and concerns with the good order and effectiveness of the Board and its processes; and
- must ensure that all Directors are encouraged to participate in the affairs of the Board and have an adequate opportunity to express their views.

Company Secretary

The appointment and removal of the Company Secretary is made on the recommendation of the Chief Executive and must be approved by the Board.

The Role of the Company Secretary

The Company Secretary is to:

- organise meetings, prepare agendas and take minutes of the Board Meetings; and
- ensure that the statutory functions of the Board and POTL are appropriately dealt with.

All Directors will have direct access to the Company Secretary.

Meetings

The Board shall meet as often as it deems appropriate.

Board papers will be provided to Directors sufficiently prior to Board Meetings, to allow attendees to become familiar with the issues to be addressed. POTL shall ensure that Directors are receiving information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

Access to Independent Advice

A Director of POTL is entitled to seek independent professional advice at POTL's expense with prior approval of the Chair and within specified limits.

The Chair may determine that any advice received by an individual Director will be circulated to the full Board.

Conflicts of Interest

The Directors of POTL are required to act in a manner which is consistent with the best interests of POTL as a whole, free from any actual or possible conflicts.

If a Director believes that they may have a conflict of interest or duty in relation to a potential matter, the Director should immediately consult with the Chair (or in the case of the Chair, the Chair should immediately consult with the other Directors).



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Directors with a conflict of interest should abstain from voting on any motion relating to the conflict, and if advised by the Chair, absent themselves.

If the Company Secretary is aware of a conflict of interest, the Chair should be advised and if agreed, the Director shouldn't receive any papers relating to the conflict.

Indemnities and Insurance

POTL will:

- provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, and ex Directors, to the fullest extent permitted by the Companies Act 1993; and
- maintain specified corporate documents and provide Directors with access to those documents.

Review

The Board shall undertake a regular performance evaluation of itself that:

- compares the performance of the Board with the requirements of this Charter;
- reviews the performance of the Board's Committees; and
- effects any improvements to this Charter deemed necessary or appropriate.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

The Board has approved this Charter and will review the Charter annually.

Approved:	Board
Policy Owner:	Chief Financial Officer
Effective Date:	15 December 2023
Next Review Date:	August 2024 (or earlier if required)
Approval:	The Chief Financial Officer or the Chief Executive has the authority to approve minor revisions or amendments.