



Gladstone Ports Corporation

Growth, Prosperity, Community.

Gladstone Ports Corporation Limited

Board Charter



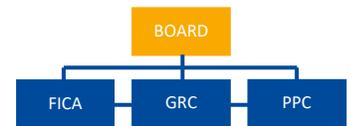
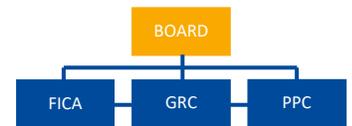


Table of Contents

1.0 OBJECTIVE.....	3
2.0 TERMS OF REFERENCE.....	3
2.1 Strategy	3
2.2 Governance and Oversight.....	3
2.3 Financial	4
2.4 Risk Oversight and Management, Internal Control and Compliance	4
2.5 Senior Executive Appointments, Performance and Remuneration.....	4
2.6 Relationship with shareholding Ministers	5
3.0 RELATIONSHIP BETWEEN THE BOARD AND MANAGEMENT	5
4.0 MEMBERSHIP.....	5
5.0 INDEPENDENCE.....	6
6.0 CONFLICTS OF INTEREST.....	7
7.0 CONFIDENTIALITY	7
8.0 MEETINGS.....	7
8.1 Minutes	8
8.2 Secretariat Duties.....	8
9.0 BOARD COMMITTEES.....	8
10.0 CONTINUING EDUCATION	8
11.0 INDEPENDENT ADVICE	8
12.0 INDUCTION	9
13.0 ACCESS.....	9
14.0 CODE OF CONDUCT	9
15.0 BOARD PERFORMANCE.....	9
16.0 REVISION OF CHARTER.....	9
17.0 APPROVAL OF THE CHARTER.....	9
SCHEDULE 1 - POSITION DESCRIPTIONS	11
Role of the Chairperson	11
Role of Individual Directors.....	11
Role of the Chief Executive Officer	12
Role of the Commercial General Manager	12
Role of the Chief Governance Officer	13



1.0 Objective

The Board of Directors of GPC is accountable to its shareholding Ministers for maintaining sound oversight over Gladstone Ports Corporation (GPC), guiding and monitoring its business and affairs.

2.0 Terms of Reference

The primary role of the Board is to ensure that the company is undertaking its business in the best interests of shareholders having regard for the interests of all stakeholders including customers, employees, suppliers and the local community.

In performing its role, the Board’s responsibilities include (but are not limited to) the matters listed below. The Board may refer some or all of these matters to one or more Board Committees. In such cases, the Board will oversee the work of the Board Committees and attend to matters referred to it by those Committees.

2.1 Strategy

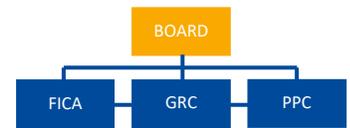
The Board will:

- Provide strategic direction to GPC by approving the strategy and associated performance objectives;
- Set GPC’s commercial policy and oversee management thereof;
- Approve the Corporate Plan (CP) and Statement of Corporate Intent (SCI);
- Make decisions in relation to matters of a sensitive, risk, extraordinary or strategic nature including:
 - Significant acquisitions, disposals and internal restructures;
 - Approving business cases for investment or expenditure initiatives above the Chief Executive Officer’s delegated authorities;
 - Approval of the Port of Gladstone’s 50 Year Strategic Plan and Land Use Plans for the Ports of Gladstone, Bundaberg and Port Alma.

2.2 Governance and Oversight

The Board will:

- Oversee the conduct and performance of GPC including monitoring performance against the CP, SCI and the annual budget;
- Monitor the progress of strategic initiatives, major capital expenditure programs and projects;
- Oversee communications with and reporting to shareholding Ministers;
- Approve the Board’s delegations of authority to the Chief Executive Officer;
- Consider Board succession planning, based on appointments made by, and input from, the shareholding Ministers;
- Oversee GPC’s culture, reputation and ethical standards;



- Oversee the review and update of corporate governance practices and procedures as necessary.

2.3 Financial

The Board will:

- Oversee GPC's financial position, monitor performance against budget and other financial performance objectives;
- Approve GPC's financial management policies;
- Approve the financial statements and the accounting policies upon which the statements are based;
- Declare dividends, consistent with the dividend policy set by the shareholding Ministers;
- Based upon input from the Finance, Investments, Commercial and Audit (FICA) Committee, oversee GPC's financial reporting obligations.

2.4 Risk Oversight and Management, Internal Control and Compliance

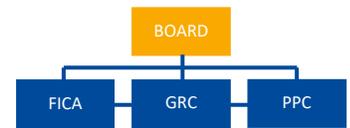
The Board will:

- Provide an oversight of management's implementation, mitigation and monitoring of a risk management and internal control system to address GPC's material business risks;
- Establish policies to govern risk management, internal control and compliance;
- Ensure appropriate risk and compliance frameworks and controls are in place and are operating effectively for compliance with the GOC Act, *Corporations Act 2001*, *the Financial Accountability Act 2009*, and other relevant laws and regulations;
- Oversee the review and update of GPC's strategic risk profile, to be undertaken at least quarterly;
- Insist on the reporting of unlawful and unethical behaviour and ensure that, where violations are reported in good faith, the protections set out in the relevant policies are provided.

2.5 Senior Executive Appointments, Performance and Remuneration

The Board will:

- Approve the performance evaluation and remuneration structures for GPC executive management;
- Assess the performance of the CEO at least on an annual basis;
- Appoint the Chief Executive Officer, with the prior written approval of shareholding Ministers. The Board has autonomy to make a short term (less than six (6) months) temporary Chief Executive Officer appointment without consulting shareholding Ministers;
- Approve the appointment of Senior Executives, notify and submit executed contracts to shareholding Ministers within one month of execution;



- Recommend to shareholding Ministers remuneration for the Chief Executive Officer and executive management.

2.6 Relationship with shareholding Ministers

The Board will:

- Approve a communication strategy to promote effective communication with shareholding Ministers;
- Ensure that effective communication and active consultation occurs with shareholding Ministers;
- Ensure that balanced and understandable information about GPC and corporate proposals is provided to shareholding Ministers;
- Comply with any direction given by the shareholding Ministers pursuant to the GOC Act;
- Accountability to shareholding Ministers for GPC’s performance as required by the GOC Act and other laws applying to GPC.

3.0 Relationship between the Board and Management

The Board reserves the following matters for its decision:

- Approval of strategy and annual budgets;
- Determinations and approvals other than those formally delegated to management.

The Board delegates responsibility for day-to-day management of GPC to the Chief Executive Officer subject to any limits of such delegated authority as determined by the Board from time to time. The Chief Executive Officer must, however, consult the Board on matters that are sensitive, extraordinary, present significant risk or of a strategic nature.

The Chief Executive Officer is the primary link between the Board and the organisation.

The Board adopts appropriate structures and procedures to ensure it retains its independence and functions independently of management.

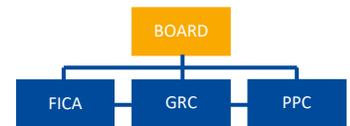
Further detail on the role of the Board and management is provided in Schedule 1 – Position Descriptions.

4.0 Membership

Directors are appointed by the Governor in Council, pursuant to the GOC Act, on the recommendation of the shareholding Ministers.

The tenure of the Directors is determined by the shareholding Ministers.

All members of the Board are non-executive Directors.



A majority of the Board will be comprised of independent Directors. Independence in this context is defined below.

5.0 Independence

Independence is assessed against the ability, integrity and willingness of each Director to act in the best interests of GPC.

The Board will assess at least annually, the independence of each Director and include this information in the annual report.

In assessing the independence of Directors, the following criteria shall be considered:

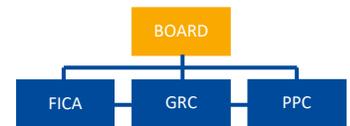
1. Within the last three (3) years, the Director has not been a principal of a material professional adviser or a material consultant to GPC or an employee materially associated with the service provided.
2. The Director is not a material supplier or customer of GPC or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
3. The Director has no material contractual relationship with GPC other than as a Director of GPC.
4. The Director has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPC.
5. The Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPC.
6. Within the last three years, the Director has not been employed in an executive capacity by GPC, or been a Director after ceasing to hold any such employment.

In assessing the independence of each Director, the Board considers the effect of a Director's business and other relationships and interests from the perspective of both GPC and the Director.

The following materiality thresholds apply to the above definition of independence. The Board may from time to time change these materiality thresholds:

- A material professional adviser or consultant is one whose fees to GPC in a financial year exceed \$100,000;
- A material supplier is one the value of whose sales to GPC in a financial year exceeds 2% of the value of GPC's total purchases including capital expenditure;
- A material customer is one the value of whose purchases from GPC in a financial year exceeds 2% of GPC gross revenue;
- A material contractual relationship, other than any of those described above, is one in respect of which the consideration payable under the contract exceeds \$100,000.

Materiality is assessed on a case-by-case basis from the perspective of both GPC and the relevant Director having regard to the Director's individual circumstances.



The Board may determine that the Director is independent notwithstanding the existence of a relationship of the kind referred to above. However, the Board will state the reasons for making its determination in such a case.

The Directors may from time to time change such materiality thresholds.

6.0 Conflicts of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the GPC. If any matter is to be discussed at a meeting of the Board which would involve one or more Directors having a material conflict of interest, then it is the responsibility of the Director/s to immediately disclose in writing to the Board the existence of any actual or potential conflict of interest.

The Board in managing conflicts of interest will observe the requirements of GPC, including but not limited to the Constitution, the Code of Conduct, the Conflicts of Interest Policy and general best practice requirements in accordance with the GOC Act.

7.0 Confidentiality

All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and will not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board. All Directors are required to keep all information presented to, or discussed at Board meetings, confidential.

8.0 Meetings

The Board shall meet as often as deemed necessary by the Directors in order to fulfil their duties and responsibilities as Directors and as dictated by the needs of the business. It is expected that under normal circumstances the Board will meet at least eight (8) times per year.

A meeting of the Board can be convened by the Chairperson.

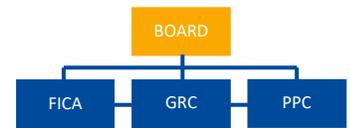
Pursuant to GPC's constitution, a quorum shall consist of half the number of Directors of which the Board consists of, or if that number is not a whole number, the next higher whole number.

The agenda for each meeting is determined by the Chairperson and CEO to meet the needs of GPC at any point in time and to address the matters set out in the annual operating cycle for attention at a particular meeting.

Any Director may approach the Chairperson and request that a particular item be added to the agenda for a meeting.

The Chief Executive Officer, Commercial General Manager and the Chief Governance Officer, attend meetings by standing invitation but may be asked to leave at any time.

The Board may invite such other persons to its meetings or part thereof as it deems necessary or appropriate. However, if a person has a material personal interest in a matter that is being considered at a meeting, he/she must not be present for consideration of that matter.



Decisions of the Board may be made:

- at a duly called and constituted meeting;
- by a resolution in writing to all Directors and signed by at least a majority of Directors.

8.1 Minutes

- Minutes are to be prepared for each Board meeting by the Chief Governance Officer;
- The draft minutes for each Board meeting are to be reviewed by the Chairperson and circulated to all Committee members as soon as practicable, but no later than one (1) week after the meeting;
- Minutes of the meeting are to be ratified at the next meeting of the Board.

8.2 Secretariat Duties

- The Chief Governance Officer or his or her nominee as approved by the Chairperson, shall act as the secretary of the Board and its Committees.

9.0 Board Committees

The Board will establish committees to assist the Board in exercising its duties.

Each committee operates in accordance with a written Charter.

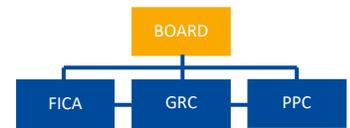
The three standing Committees are the Finance, Investment, Compliance and Audit Committee, the Governance, Risk and Compliance Committee and the People, Performance & Culture Committee. The Board may establish further Committees to assist it in exercising its authority over a particular area. To establish paid Committees, approval is required from shareholding Ministers. The Board will oversee the work of the Board Committees and attend to matters referred to it by those Committees.

10.0 Continuing Education

Directors are encouraged to participate in professional development and keep up to date on relevant topical issues. Directors may, at GPC's expense, undertake professional development courses that relate to the Director's function as a Director and Committee member.

11.0 Independent Advice

Directors are free to take independent professional advice on matters pertaining to their roles and responsibilities as Directors of GPC. GPC will pay the reasonable legal costs incurred by a Director in doing so, provided that before the advice is obtained the Director discusses the requirement for the advice with the Chairperson.



12.0 Induction

An induction program will be provided for new Directors to assist them in fulfilling their duties and responsibilities.

The induction will cover an overview of GPC, industry issues as well as the Directors’ responsibilities as a member of the Board and any relevant committees of which they are a member.

13.0 Access

The Board shall have full and free access to executives and other employees of GPC.

14.0 Code of Conduct

Each member of the Board shall abide by the terms of the GPC Code of Conduct in all dealings with and on behalf of GPC.

15.0 Board Performance

The Board and individual Director performance will be assessed on a regular basis, not exceeding two (2) years.

The performance assessments will be carried out under the responsibility of the Chairperson and will focus on whether the objectives of the Board are being met in an effective manner.

A report will be provided to shareholding Ministers on the results of the evaluation by the Chairperson.

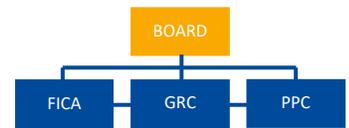
16.0 Revision of Charter

The Board shall review the adequacy of this Charter at least every two (2) years. The Board may determine and approve interim changes to this Charter.

17.0 Approval of the Charter

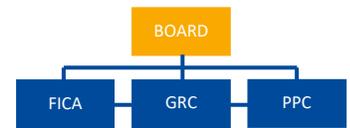
The GPC Board Charter is endorsed by the Chairperson and approved by the Board on the 28 day of February 2019.

Board Member	Position	Signature
Peter Corones AM	Chairman	
Marita Corbett	Director	
Adrienne Ward	Director	
Peta Jamieson	Director	
Gail Davidson	Director	
Grant Cassidy OAM	Director	
Stewart Butel	Director	



Version Control History

Version	Date	Approved by
01 - Draft	20 February 2019	Chairperson



SCHEDULE 1 - POSITION DESCRIPTIONS

Role of the Chairperson

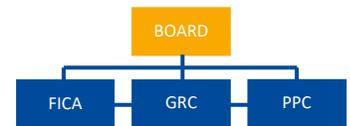
The Chairperson's responsibilities will include:

- Ensuring the Board provides leadership and vision to GPC;
- Leadership of the Board, ensuring its effectiveness on all aspects of its role and setting its agenda;
- Ensuring effective communication with shareholding Ministers;
- Presiding over Board meetings, facilitating the flow of information and discussion and directing Board discussions to effectively use the time available to address significant issues facing GPC;
- Ensuring Board Minutes properly reflect Board decisions;
- Making certain that all members of the Board are provided, on a timely basis, with the information necessary to undertake effective decision making and actions;
- Developing an ongoing relationship with the Chief Executive Officer. As the major point of contact between the Chief Executive Officer and the Board, the Chairperson should be kept fully informed of progress made against key corporate objectives and matters of interest to Directors;
- Acting as a mentor to the Chief Executive Officer;
- Arranging the regular evaluation process of the Board, individual Directors and Board committees;
- Guiding the ongoing effectiveness and development of the Board and individual Directors including induction of new Directors.

Role of Individual Directors

In accordance with statutory requirements and in keeping with developments at common law, Directors should:

- Discharge their duties in good faith, honesty, in the best interests of GPC, and with the level of skill and care expected;
- Use the powers of office for proper purpose, in the best interests of GPC as a whole;
- Avoid conflicts of interest;
- Not allow personal interests, or the interest of any associated person, to conflict with the interests of GPC;
- Maintain confidentiality of information acquired during the course and scope of the position held as Director;
- Disclose any direct or indirect interest in a matter being considered, or about to be considered by the Board;
- Act with required care and diligence, demonstrating commercial reasonableness in their decisions;
- Not make improper use of information gained through their position of Director;
- Make reasonable inquiries to ensure that GPC is operating efficiently, effectively and legally towards achieving its goals;
- Undertake diligent analysis of all proposals placed before the Board, giving due consideration to risk appetite and compliance obligations;



- Act to prevent GPC trading while insolvent

Role of the Chief Executive Officer

The Chief Executive Officer is the primary link between the Board and the organisation; communicating Board approved policies and priorities to staff and presenting organisational reports, submissions and budgets to the Board. The Chief Executive Officer should work closely with the Chairperson.

The Chief Executive Officer manages GPC in accordance with the strategy, business plans and policies approved by the Board to achieve the goals and objectives included therein.

The Chief Executive Officer, together with the executive management team, is responsible to the Board for the development and implementation of strategy and overall management and performance of GPC.

The Chief Executive Officer is accountable to the Board for the authority that is delegated to the Chief Executive Officer.

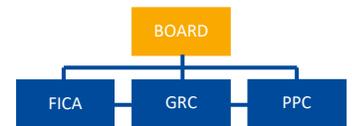
The responsibilities of the Chief Executive Officer include:

- The observance of enabling legislation and compliance with all applicable laws;
- Maintaining sound systems of risk management, internal control and compliance;
- Reporting to the Board in a timely, transparent and effective manner;
- Ensuring that decisions or actions are taken with due consideration to the associated risks including assessing any financial, health, safety, security, reputation and environmental consequences and the impact on the achievement of corporate objectives;
- Ensuring that a strong culture is maintained throughout GPC which promotes honest and ethical behaviour;
- Ensuring that the allocation of the GPC's resources, including capital and operating expenditure, is made with due consideration to the GPC's financial condition and the impact on the achievement of corporate objectives;
- Employment and management of staff (subject to appropriate consultation and where relevant, approval of the Board, shareholding Ministers and Governor in Council);
- Ensuring that appropriate systems and processes are in place for the training and development of staff and appropriate succession planning occurs for key staff;
- Ensuring that a system is maintained for monitoring and evaluating stakeholder satisfaction with GPC;
- Managing the budget approved by the Board;
- Implementing Board decisions and direction in a timely and effective manner;
- Preparation of the annual SCI including organisational performance targets for approval by the Board;
- Effective operational, administrative, communications and marketing functions.

Role of the Commercial General Manager

The Commercial General Manager is accountable and responsible for:

- Carrying out the role of Chief Financial Officer;



- Recommending appropriate commercial targets for GPC, for both short and medium terms and advises the Chief Executive Officer and the Board on appropriate strategies to achieve these targets;
- Providing commercial focus and advice to the Chief Executive Officer and Board on likely financial outcomes from alternate strategic choices;
- Develops and recommends pricing strategies for Port Services and activities;
- Risk and compliance management of GPC, including business continuity planning, enterprise risk management, regulatory and policy compliance.

Role of the Chief Governance Officer

The Chief Governance Officer is generally responsible for providing governance advice to the Board and carrying out the administrative requirements of the Board, to act on the Board's instructions in this regard and to report to the Board as required. This includes the role of Company Secretary.

In particular:

- Ensuring that the Board agenda is developed in a timely and effective manner for review and approval by the Chairperson;
- Ensuring, in conjunction with the Chief Executive Officer, that Board papers are developed in a timely and effective manner;
- Coordinating, organising and attending meetings of the Board and ensuring that correct procedures are followed.
- Drafting and maintaining Minutes of Board meetings.
- In conjunction with the Chief Executive Officer and other senior management, carrying out the instructions of the Board and giving practical effect to the Board's decisions.