

# BOARD CHARTER

## 1. Purpose

- 1.1. This Board Charter (“Charter”) sets out the role, responsibilities, composition and structure, practices and behaviours that underpin the function of the Board of Directors (“Board”) of Ports of Auckland Limited (“POAL”). It is not intended to provide a complete record of all formal and informal rules relevant to the Board.

## 2. Role and Responsibilities of the Board

- 2.1. The role of the Board is to represent and promote the interests of shareholders effectively, with a view to adding long term value to POAL. The Board will direct and supervise management of the business and affairs of the company.
- 2.2. In performing its responsibilities, the Board operates in accordance with all applicable laws and regulations (noting particularly the Companies Act 1993 and the Port Companies Act 1988), POAL’s constitution, Corporate Governance Statement and Statement of Corporate Intent. The Board will also act in accordance with the Memorandum of Understanding with Auckland Council dated 28 June 2018 (the “MOU”). The Board is expected to exercise a high standard of commercial judgement.
- 2.3. Specific responsibilities of the Board include:
- a. Providing leadership and setting the strategic objectives including development, adoption, and communication of a clear strategy.
  - b. Overseeing Management’s implementation of the strategic objectives and performance against the goals.
  - c. Appointing, and where necessary, replacing the Chief Executive.
  - d. Approving the annual goals for the Chief Executive, monitoring execution, and assessing performance against the goals.
  - e. Approving the Chief Executive’s remuneration and the remuneration of the Chief Executive’s direct reports.
  - f. Approving the structure of the Executive Team, proposed from time to time by the Chief Executive.
  - g. Reviewing development and succession plans for the Chief Executive and Executive Team.
  - h. Reviewing employment and remuneration practices to ensure talented staff are recruited and retained.
  - i. Reviewing the remuneration and allowances paid to the Board, approving the distribution of relevant fees, and making recommendations to the shareholder as appropriate.

- j. Overseeing and supporting POAL's relationship with its shareholder, including:
- ensuring that reporting is effective and timely.
  - informing the shareholder of material changes to its infrastructure, investments, or strategic direction.
  - notifying the shareholder of events that could be reasonably anticipated to have a high level of public interest.
  - developing and approving POAL's Statement of Corporate Intent.
  - overseeing progress towards meeting the key performance targets contained within.
- k. Ensuring the integrity of the accounting and corporate reporting systems, including the external audit.
- l. Approving the Delegated Authority Policy.
- m. Approving operating and capital expenditure budgets.
- n. Ensuring POAL has appropriate policies that govern the management and operation, including that management is strengthening the performance of and building the business and that these policies are regularly reviewed and approved.
- o. Having responsibility for overall governance and monitoring effectiveness of POAL's governance processes.
- p. Determining and approving the dividend policy and the amount, nature, and timing of dividends to be paid.
- q. Overseeing POAL's legal compliance, ensuring compliance with all laws, governmental regulations, and accounting standards.
- r. Monitoring POAL's financial and non-financial performance including:
- approving and monitoring the progress of major capital expenditure, acquisitions, and divestments outside the limits of the Delegated Authority Policy.
  - ensuring POAL can meet its debts and other obligations when they fall due.
  - ensuring POAL's financial statements are true and fair and otherwise conform with law; and
  - approving those statements and any dividends.
- s. Selecting, appointing, and terminating the external auditor in conjunction with the Auditor General (including associated recommendations to the Shareholder)
- t. Having oversight of the Audit and Risk Committee's evaluation of the external auditor's performance and independence.
- u. Having oversight of the Audit and Risk Committee's feedback to the Auditor General on matters relating to the performance of the external auditor and participation in the decision-making process when the lead partner is rotated.
- v. Ensuring the lead partner is rotated every five years.

- w. Overseeing POAL's risk management framework, including ensuring the principal risks are identified and appropriate internal controls and monitoring systems are in place to manage and reduce the impact of these risks.
  - x. Overseeing POAL's health and safety strategy and implementation of systems to ensure the safety of POAL's employees, contractors, and visitors.
  - y. Overseeing POAL's sustainability strategy and environmental management systems, including performance against goals.
- 2.4. In the normal course of events, responsibility for the day-to-day management of POAL is delegated to the Chief Executive subject to the Delegated Authority Policy.

### 3. Conduct

- 3.1. The Board is committed to maintaining, and ensuring that management maintains, the highest standards of governance, ethics, corporate behaviour, and accountability.

### 4. Board Composition

- 4.1. The number of Directors is determined in accordance with the Constitution.
- 4.2. The Board will regularly review its composition, evaluating the competencies and skills required to carry out its responsibilities and duties in such a way that it:
- Has appropriate skills, experience, and diversity.
  - Has proper understanding of and competence to deal with the current and emerging issues.
  - Exercises independent judgement.
  - Can effectively review and challenge the performance of Management.
  - Encourages enhanced performance of POAL.
- 4.3. Auckland Council's Performance and Appointments Committee is responsible for POAL Director appointments. This includes the appointment of an external party to manage the process, the review of the current Board's skills matrix, determination of candidate search focus, placement of advertisements, determination of selection panel members, compilation of candidate long-list and short-list, candidate interviews, reference and background checks, and final appointment.
- 4.4. The Board will consider board succession, including the Chair, to maintain an appropriate mix of skills, experience, and diversity.

### 5. Chair

- 5.1. The Chair is an independent Director and is appointed by the Shareholder.
- 5.2. The role and responsibilities of the Chair are to:
- Provide effective leadership to the Board and be the primary interface with the Chief Executive.
  - Ensure the efficient organisation and conduct of the functions of the Board.

- Facilitate the effective contribution of all Directors and promote constructive and respectful relations between the Board and Management.
- Maintain regular dialogue with the Chief Executive on operational issues and financial performance and, where required, escalate matters to all Directors for consideration and resolution.
- Represent the views of the Board to the Shareholder and maintain appropriate ongoing contact with the shareholder to ensure the Board understands its' views.
- Approve, in consultation with the Board, the appointment of advisors who report to the Board.

5.3. In the absence of the Chair, the Deputy Chair will act or if there is no Deputy Chair, the Board will nominate an acting Chair.

## 6. Deputy Chair

The Shareholder may appoint a Deputy Chair. If such an appointment is made, it will be an independent Director. The Deputy Chair will undertake any duties required by the Board.

## 7. Chief Executive

- 7.1. The Chief Executive is charged with the day-to-day leadership and management of the POAL. The Chief Executive has the responsibility to manage the oversee the interfaces with the public and to act as the principal representative of POAL.
- 7.2. The Chief Executive, together with the Senior Executive team, is responsible to the Board for the development and implementation of strategy and overall management and performance of POAL.
- 7.3. The Chief Executive manages the organisation in accordance with the strategy, business plans and policies approved by the Board to achieve the corporate goals, targets, and other agreed performance indicators.
- 7.4. The Chief Executive's performance is assessed considering the achievement of those agreed goals, targets, and other agreed performance indicators.

## 8. Company Secretary

- 8.1. The Board is supported by the Company Secretary, who is responsible for:
- Organising Board meetings, preparing agendas and supporting documents.
  - Reinforcing the Board's requirement of quality, completeness and timeliness of Board papers and associated reports
  - Attending and minuting meetings.
  - Monitoring completion of actions arising from meetings.
  - Providing administrative support, technical and telecommunication and other support to the Board.
  - Retaining independent professional advisors at the request of the Board or Board Committee

- Providing a point of reference for dealings between the Board and Management
- Attending to statutory requirements, maintaining all official Board and statutory records and lodgement of documents.
- Assisting with communications with the Shareholder.

## 9. Responsibility of Individual Directors

9.1. The directors are committed to the proper and responsible fulfilment of their duties to POAL and to the Shareholder. In particular, the directors are mindful of their legislative duties which include, but are not limited to, the following:

- Directors must act in good faith and in the best interests of POAL.
- Directors must exercise power for a proper purpose.
- Directors must not act in a manner that contravenes the law or POAL's Constitution.

9.2. Directors will comply with the policies and procedures of POAL to the extent that these apply to Directors.

## 10. Conflicts of Interest

10.1. Directors are required to take all reasonable steps to avoid an actual, potential, or perceived conflict of interest.

10.2. Directors are required to disclose any conflict of interest and abstain from participating in any discussion or voting on any matters in which they have a material personal interest.

10.3. The Company Secretary will maintain a register of declarations of interest and report them to the Board at each Board meeting,

10.4. Directors must ensure all interests (private or business) are advised to the Company Secretary.

10.5. The Board will regulate its procedures to effectively manage any conflicts of interest including ad hoc conflicts which arise in respect of a specific agenda item.

10.6. Because a conflict of interest (actual or perceived) may be created, Directors will not, except in exceptional circumstances and approved by the Chair, provide business or professional services to the Company.

10.7. Directors are expected to advise the Chair of any proposed board appointments as soon as practicable. Any Director may accept other board appointments if the other appointment is not in conflict with their role and will not affect the Director's performance.

10.8. The Directors will not accept gifts or personal benefits of any value from any external party if it would or could be perceived that this could compromise or influence any decision of POAL and under no circumstances will they accept cash gifts.

## 11. Relationship with Management

- 11.1. 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 reviewed and approved by the Board on an annual basis.
- 11.2. The Chief Executive is accountable to the Board for the exercise of, and compliance with the Delegated Authority Policy.
- 11.3. The Board's emphasis is on high quality, succinct and focussed reporting, and clear, concise, and reasoned decision papers.
- 11.4. The Board will adopt appropriate structures and procedures to ensure it retains its independence and it functions independently of Management. This includes the separation of the roles and responsibilities of the Chair and Chief Executive and the Directors meeting in the absence of management on a regular scheduled basis.
- 11.5. Between Board meetings the Chair maintains an informal link between the Board and the CE, expects to be kept informed by the CE on all important matters, and is available to the CE to provide guidance as appropriate. The Chair will keep Directors informed, if necessary, between Board meetings.
- 11.6. Directors have complete access to Management through the Chair, Chief Executive or Company Secretary at any time. In addition to regular presentations by Management, Directors may seek briefings by Management on specific matters.
- 11.7. The Governance of subsidiaries and controlled entities is formalised through shareholder expectations which are reviewed by the Board on an annual basis.

## 12. Board Committees

- 12.1. The Board has three standing committees: the Audit and Risk Committee, the People, Remuneration and Culture Committee, and the Safety and Wellbeing Committee. From time to time the Board may establish special purpose committees to deal with specific issues.
- 12.2. Committees will operate under a charter approved by the Board and observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- 12.3. Committee chairs and members are appointed by the Board. Committee membership will be reviewed annually.
- 12.4. All Directors will have access to the papers for each Committee.

## 13. Board Meetings and Procedures

- 13.1. Board meetings and meetings of Directors (held without management) are held on a regular basis, as determined annually in advance by the Board.
- 13.2. The agenda for each meeting is determined by the Chair, Chief Executive and Company Secretary to meet the needs of POAL and to address the matters required by the annual operating and reporting cycle.
- 13.3. Any Director may ask the Chair to add a particular item to the agenda for a meeting.
- 13.4. Directors are expected to be fully prepared for and make every reasonable effort to attend each meeting of the Board or Committee of which they are a member.

- 13.5. Quorum - A quorum for a meeting of the Board is a majority of the Directors. No business may be transacted at a meeting of Directors if a quorum is not present.
- 13.6. Meetings are expected to be in person. Directors unable to be present may participate by technological means with the prior agreement of the Chair of the meeting. Directors' meetings may be held by any technological means by which Directors can participate in discussion even though they may not be physically present.
- 13.7. The Chief Executive, Chief Financial Officer, and Company Secretary attend Board meetings by standing invitation but may be asked to leave at any time.
- 13.8. The Board may invite such other persons to its meetings as it deems necessary or appropriate, subject to the rules on Conflict of Interest.
- 13.9. The agenda and supporting papers are to be delivered to Directors by the Company Secretary at least five days in advance of each meeting.
- 13.10. Reports and other papers of Board Committees are available to all Directors, subject to the rules on Conflict of Interest, set out in this Charter.
- 13.11. All Directors and other attendees at meetings are required to keep all information, whether written or oral or discussed at meetings confidential and only use and disclose this information in the proper discharge of their duties to POAL.
- 13.12. Draft minutes of each Board meeting will be prepared by the Company Secretary promptly following the meeting for review by the Chair. The draft minutes will then be distributed to Directors. The draft minutes will be considered for approval at the next Board meeting.
- 13.13. Directors may, from time to time, sign a resolution in writing which shall be as valid and effective as if passed at a meeting of the Board duly convened and held, however the use of written resolutions in lieu of a meeting of the Board should be infrequent.

## 14. Access to Independent Advice

- 14.1. The Board has the authority to conduct or direct any investigation required to fulfil its obligations and can retain at POAL's expense, such legal accounting or other advisors or experts as considers necessary from the time to time in its performance of its duties.
- 14.2. In certain circumstances, each Director has the right to seek independent professional advice at POAL's expense within certain limits or with the prior approval of the Chair. Such advice will generally be made available to all other Directors.
- 14.3. Directors have access to management to request relevant information and explanations. Directors will keep the Chief Executive and Chair advised of all such requests.

## 15. Board Performance

- 15.1. The Board will undertake an annual assessment of its performance, including performance of individual Directors, Committees and against this Charter.

## 16. Board Education

- 16.1. All new Directors will undertake an induction programme co-ordinated by the Company Secretary to assist them to fulfil their duties and responsibilities.
- 16.2. Management will conduct additional presentations and tutorial sessions for the Board to assist the Directors gaining a broader understanding and knowledge of POAL and the industry.
- 16.3. Directors are expected to undertake any necessary continuing education to enable them to discharge their duties. Management will brief the Board on any relevant changes in legislative, regulatory or industry frameworks.
- 16.4. Directors will be given the opportunity to attend technical or professional development course to keep up to date with relevant issues.

## 17. Remuneration and Expenses

- 17.1. The Board will review the remuneration and allowances paid to the Board and approve the distribution of relevant fees.
- 17.2. The Board will seek approval from the Shareholder for the pool for director fees.
- 17.3. Where significant additional work is required from a Director for a specific project, additional remuneration may be payable for this work. Any additional amounts will be agreed with the Shareholder.
- 17.4. POAL reimburses actual and reasonable expenses incurred in carrying out the duties of a Director, in accordance with the Directors' Expenses Policy.

## 18. Insurance and Indemnity

- 18.1. Directors will ensure there is adequate Directors and Officers Insurance, at POAL's expense. This cost will be assessed and determined whether it is fair to POAL.
- 18.2. Directors have the benefit of an indemnity to the extent permitted by law.

## 19. Inconsistency with Constitution

- 19.1. If there is any inconsistency between the Charter and the Constitution, the Constitution will prevail.

## 20. Review

- 20.1. The Board will review this Charter annually.

**Approved by the Board: 24 May 2023**