

1. PRIMARY OBJECTIVE

The Sustainability Committee (**the Committee**) is a committee of the Board of the Port of Townsville Limited (**the Port**).

The primary objective of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities for sustainability and ensuring frameworks, policies, practices and targets are aligned with the Port's goal of being a sustainable organisation for the long-term. This encompasses governance of board and executive functions, people and culture, safety and security, environment, community engagement and social responsibility.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the Port, or the reporting lines and responsibilities of either the internal audit or external audit functions. The Committee does not have executive power with regard to its findings and recommendations.

2. DUTIES AND RESPONSIBILITIES

Specific duties and responsibilities of the Committee include:

- Developing and implementing procedures for the Board's periodic evaluation of its performance and effectiveness and overseeing implementation of recommendations from these reviews;
- Reviewing and advising the Board in relation to recruitment, remuneration and succession planning policies and practices to ensure the Port's objectives are met and ensure effectiveness, integrity and compliance with legal requirements, Government policies and the expectations of shareholding Ministers;
- Determining key performance indicators, evaluating performance and recommending remuneration levels and performance payments for the Chief Executive Officer and Senior Executives;
- Reviewing and advising the Board on succession planning for critical roles;
- Monitoring and evaluating the effectiveness of the Port's people and culture framework and human resources and industrial relations policies, initiatives, practices and targets to ensure they are aligned with the Port's strategic objectives;
- Monitoring and evaluating the effectiveness of the Port's Work Health and Safety and Security frameworks, policies, initiatives, practices and targets to ensure they are aligned with the Port's strategic objectives and have a holistic port-community focus;
- Monitoring and evaluating the effectiveness of the Port's environmental management framework, policies, initiatives, practices and targets to ensure they are aligned with the Port's strategic objectives and have a holistic port-community focus;
- Monitoring and evaluating the effectiveness of the Port's community engagement framework and social responsibility, policies, initiatives, practices and targets to ensure they are aligned with the Port's strategic objectives and the expectations of the community and stakeholders; and
- Evaluating compliance with statutory responsibilities, government policies and the expectations of shareholding Ministers relating to board and executive remuneration practices, human resources and industrial relations matters, work health and safety and security requirements, environmental management and community engagement matters.

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The Committee will liaise as necessary with the Audit and Risk Committee in relation to sustainability risks, compliance and reporting.

The Committee may commission an audit to include:

- compliance with relevant legislation, government policies and shareholding Minister’s expectations;
- consistency with the Corporate Plan, Statement of Corporate Intent and Employment and Industrial Relations Plan;
- consistency with Board and Senior Management philosophy; and,
- adequacy in terms of employee values.

In the discharge of its responsibilities the Committee must provide prompt and constructive advice, and report its findings to the Board of Directors, particularly where issues are identified that could present material risk or threat to the Port.

The Port’s Board of Directors, Senior Management and employees will assist the Committee in the discharge of its duties and responsibilities by providing access to the Port’s documents, records and physical property as may be required to undertake its role. The Committee is free to review and appraise policies, plans, procedures, records and methods of operation and to seek information from employees appropriate to fulfilling Committee duties and responsibilities.

3. COMMITTEE MEMBERSHIP

The Chairperson of the Board will appoint at least three (3) Directors to serve as members of the Committee.

The Chairperson of the Board may vary appointments to the Committee at any time and as he/she sees fit. The Chairperson of the Board may approve, from time to time, the appointment to the Committee of up to two (2) members external to the Port.

When considering membership appointments, the Chairperson of the Board will consider rotation of members to facilitate the input of new ideas, while retaining some degree of continuity via a core of experience. Collectively, the Committee shall possess:

- a thorough understanding of the core activities of the Port 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 Port delivers;
- strong business acumen and management skills;
- a high level of understanding of best practice and experience;
- a sound knowledge of information systems and emerging technology;
- an inquiring attitude, objectivity and independence; and
- a strong, demonstrated sense of probity and ethical conduct.

Committee Chairperson

The Committee Chairperson must be a Board Director. If the Chairperson is not present or is unwilling to act, the Committee must appoint a Committee member who is also a Board Director to chair the meeting.

Committee Secretary

The Company Secretary (or nominee) is the Secretary of the Committee. The Secretary will be responsible for the preparation and circulation of the meeting agenda and accurately minuting all decisions of the Committee in consultation with the Committee Chairperson. The Secretary will also be responsible for the timely tabling of all correspondence, reports and other information relevant to the Committee’s activities and operations.

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4. ETHICAL PRACTICES

Members of the Committee will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity and probity and not engage knowingly in acts or activities that have the potential to bring discredit to the Port.

Members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Members must not use information obtained through their position on the Committee for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of the Port.

Further, members must not publicly comment on matters relative to activities of the Committee other than as authorised by the Board of Directors.

5. COMMITTEE MEETINGS

Meetings shall be conducted on a formal basis and be effectively minuted by the Secretary as to proceedings and decisions. A meeting agenda must be prepared and distributed to all members of the Committee at least five (5) working days prior to a meeting. Draft minutes of meetings must be prepared and provided to the Committee Chairperson for prior approval as soon as possible after the conclusion of the meeting. Once approval has been received, the minutes of meetings must be promptly distributed to Committee members and must be confirmed as an accurate record of the meeting at the next subsequent meeting of the Committee.

Meetings of the Committee should be held at least three (3) times each year. Meetings may be held via teleconference or videoconference, if required. In addition, the Committee Chairperson may call such additional meetings as may be necessary to address any matters referred to the Committee by the Chief Executive Officer or in respect of matters that the Committee wishes to pursue.

A quorum for a Committee meeting is half the number of members appointed (including the ex officio member) provided that at least one of the members present is a Director of the Board, and if that number is not a whole number, the next highest whole number.

Only those members appointed by the Board of Directors may vote on matters before the Committee. As far as practicable, decisions of the Committee shall be regarded as its collective decision or advice. However, where there is material dissension to a decision, a minority view may be placed before the Board of Directors.

Other Attendances at Meetings

The Chief Executive Officer is to attend all meetings. The General Managers shall have a standing invitation to attend all Committee meetings. Other executives or officers may be requested to attend Committee meetings to discuss or report on particular agenda items and such person(s) must attend.

When advice is required in relation to a matter subject to a Committee inquiry and it is considered sufficiently material to warrant the services of a specialist consultant external to the Port, the Committee may request the Chief Executive Officer to obtain such expert assistance.

The Committee may determine from time to time, that it is appropriate to conduct meetings privately with Senior Management, including the Chief Executive Officer. The reasons for such meetings will be forwarded to the relevant executives with the invitation to attend the meeting. The Committee may at its absolute discretion, decide to exclude some or all non-committee members from such a meeting.

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6. ACCESS TO INFORMATION

The Committee shall have the freedom to conduct or authorise investigations into any matter within its objectives or as requested by the Board of Directors. The Committee shall be entitled to have access to all relevant information held by the Port. It is also authorised to discuss with any employee any matter that is the subject of an investigation.

The Committee shall be empowered to retain independent legal advice, advisers or other professionals to assist in its investigations / deliberations, with the costs borne by the Port.

7. COMMITTEE REPORTING

The minutes of all Committee meetings and a report detailing the Committee's findings and recommendations must be tabled at the Board meeting following each Committee meeting.

The Committee Chairperson shall:

- report the findings and recommendations of the Committee to the Board of Directors at the next possible Board meeting following each Committee meeting;
- regularly update the Board of Directors about Committee activities and make appropriate recommendations;
- ensure the Board of Directors is made aware of any human resources, industrial relations or safety matters which may impact on the Port or its Directors as soon as practicable; and
- submit a summary of the role and achievements of the Committee for inclusion in the Annual Report of the Port together with a statement that the Committee has observed the terms of its charter.

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8. COMMITTEE REVIEW

The Committee Chairperson shall annually assess the performance of the Committee and take appropriate action in respect of areas where there is a perceived need for enhancement of its role, operational processes or membership.

At least once every three (3) years the Committee shall arrange for a peer review of its operations and activities by an appropriately qualified person. The results of the review shall be reported directly to the Board of Directors. The Chairperson of the Committee will action the performance evaluation and may obtain assistance if required.

A key outcome of the evaluation process should be for the Committee to set a series of goals to guide their activity over the coming year, as well as a review and update of the Committee Charter.

9. CO-OPERATION WITH COMMITTEE

Each employee must provide full, frank and meaningful advice on any issue raised by the Committee within fourteen (14) days of receiving such a request and shall co-operate fully with the activities of the Committee in all other respects. The annual report of the Committee will include a statement as to the extent of co-operation provided to the Committee during the year.

10. ANNUAL CALENDAR

MEETING DATE	MATTERS FOR CONSIDERATION
All Meetings	<ul style="list-style-type: none">• People & Culture Initiatives, Performance & Trends• Safety Initiatives, SMS, Performance & Trends• Environmental Initiatives, EMS, Performance & Trends• Community Initiatives and Partnerships, Sponsorships & Donations, Complaints
Annually or As Required	<ul style="list-style-type: none">• Conduct Chief Executive Officer and Senior Executive Performance Assessments and Establish KPI's• Conduct Remuneration Reviews for Chief and Senior Executives• Review Succession Plan for Critical Positions• Evaluate and confirm the mechanism for Board Performance Assessments to be carried out by the whole Board• Summary of Employee Performance Reviews• Employee Survey Results and Action Plan• Community Survey Results and Action Plan• HR & WHS Risks and Compliance• Workforce Planning• Committee Charter and Performance Review

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