

Far North Queensland Ports Corporation

# Human Resources Committee Charter

10 December 2020

## Table of Contents

1.	Introduction.....	1
2.	Purpose and Objectives.....	1
3.	Authority and Independence.....	2
4.	Responsibilities and Duties.....	2
	<i>Duties with respect to CEO remuneration and performance</i> .....	2
	<i>Duties with respect to Executive and employee remuneration</i> .....	2
	<i>Other duties</i> .....	3
5.	Membership .....	3
	<i>Composition</i> .....	3
	<i>Skills Required on the Committee</i> .....	3
	<i>Conflicts of Interests and Independence</i> .....	3
	<i>Induction and Development</i> .....	4
	<i>Role of Committee Chair</i> .....	4
6.	Meetings.....	4
	<i>Meetings</i> .....	4
	<i>Agenda, Activity Plan &amp; Calendar</i> .....	5
	<i>Minutes</i> .....	5
7.	Performance Evaluation .....	5
	<i>Committee Performance and Effectiveness</i> .....	5
8.	Review of the Charter.....	5
9.	Related Documents .....	5

## 1. Introduction

Far North Queensland Ports Corporation (trading as Ports North) is a Government Owned Corporation (GOC) constituted under the *Government Owned Corporations Act 1993 (GOC Act)* and *Corporations Act 2001*.

The Human Resources Committee (Committee) is a sub-committee of the Board of Directors (Board) and plays an important role in providing oversight of Ports North's Human Resource Management Systems. The Committee also serves to provide confidence in the integrity of practices to enable achievement of Ports North's strategic objectives. This charter provides the framework for the performance of Committee activities.

## 2. Purpose and Objectives

The primary purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities by providing independent comment, advice and counsel to the Board of Directors on matters considered by the Committee at its regular meetings.

The Committee supports the Board by:

- Reviewing and approving employee/industrial relations strategies, including the enterprise bargaining agreement;
- Guiding the planning and implementation of organisational development and change programs including training and development;
- Reviewing and approving remuneration strategy, policies and practices;
- Reviewing and approving senior executive recruitment and appointments;
- Liaising with State Government departments and agencies, as necessary, or refer matters to the Board of Ports North as appropriate;
- Considering any other human resource, or industrial relation matter that may be referred to the Committee by the Board;
- Conducting an annual performance and development review of the Chief Executive Officer;
- Managing the Board and Committee Evaluation process;
- Reviewing and making recommendations to the Board of Directors training and skills development;
- Considering and approving Succession Planning for Senior Executives;
- Provision of advice to the Chairman during new Directors nomination;
- Reviewing Human Resources related Strategic Risks; and
- Reviewing and approving policies in the Delegation Register

The objectives of the Committee are to:

- review and make recommendations to the Board, where appropriate, in respect of industrial relations strategies, enterprise bargaining agreements and remuneration structures for senior executives and others specifically covered by the Remuneration Policy;
- review and make recommendations to the Board, where appropriate, for amending Remuneration Policy and practices;
- consider and approve appointments for all senior executives and make recommendations to the Board on such matters relating to the Chief Executive Officer.

- obtain external advice, either independently or via management, as appropriate, on remuneration, risk and any other related matter to supplement members' knowledge and expertise; and
- obtain information necessary to enable the Committee to perform its function.

This Charter outlines the Committee's authority, independence, responsibilities and duties and relationship with the Board. The Board has delegated certain functions and responsibilities to the Committee for which the Committee is responsible. Other than those specifically delegated functions and responsibilities, the Committee does not take actions or make decisions on behalf of the Board.

### 3. Authority and Independence

The Committee has the power to deal with, and where applicable resolve, determine finally and approve, all matters falling within the scope of its purpose, objectives, responsibility, duties and function as set out in this Charter and all other matters that may be delegated by the Board to the Committee from time to time as recorded in the Delegations Register forming part of this Charter.

- The Chair of the Committee will report to the Board on matters addressed by the Committee and make recommendations to the Board on behalf of the Committee.
- The Committee will seek independent professional advice whenever it is considered appropriate. Individual Directors, with the prior approval of the Committee Chair, can procure professional advice, at Ports North's expense, on matters related to their responsibilities as a Director.

### 4. Responsibilities and Duties

To meet its objectives, the following functions and responsibilities of the Board are delegated to the Committee.

#### *Duties with respect to CEO remuneration and performance*

- Consider and recommend to the Board the terms and conditions of the Chief Executive Officer's employment contract, including fixed annual remuneration, short-term and long-term incentives, benefits, pensions, superannuation, retirement and termination compensation;
- Review the CEO's remuneration arrangements with due consideration to law and corporate governance principles;
- Review and recommend to the Board, at least annually, remuneration arrangements for the CEO;
- Following annual review, consider and recommend to the Board robust performance measures and targets that encourage superior performance and ethical behaviour;
- Review, at least annually and recommend to the Board, the performance of the Chief Executive Officer against individual and company targets;
- Consider and approve the policy for authorising claims for expenses from the Chief Executive Officer; and
- Ensure that any new or varied contracts with the Chief Executive Officer are disclosed in accordance with any governance, accounting and legal requirements.

#### *Duties with respect to Executive and employee remuneration*

Review and make recommendations to the Board, where appropriate, in respect of Ports North's executive remuneration strategy, policies and practices in line with:

- Ports North’s corporate objectives;
  - current corporate governance principles; and
  - competitive practice.
- Review and make recommendations to the Board, as appropriate, on the remuneration structure for all senior executives;
  - Establish and maintain a process to set robust performance measures and targets that encourage superior executive performance and ethical behaviour;
  - Review, at least annually, performance against individual and overall company objectives;
  - Oversee the process for the measurement and assessment of performance;
  - Oversee the recruitment and retention policies for executives; and
  - Review and approve the design of all other executive remuneration plans.

#### *Other duties*

In addition, the Committee shall examine any other matters referred to it by the Board or management.

## **5. Membership**

#### *Composition*

The Board shall appoint one of its members, other than the Chair of the Board, to serve as the Committee Chair.

In addition to the independence criteria set out in the Ports North Board Charter, the following rules apply to eligibility for membership of the Committee:

- A director who sits on the Committee cannot be an officer or employee of Ports North or any subsidiary or related company or receive fees from Ports North other than in the capacity as a director or member of a committee of the Board; and
- The Committee should comprise members with an appropriate mix of human resources management, public sector governance experience and industry knowledge.

#### *Skills Required on the Committee*

Collectively, the membership of the Committee should possess a thorough understanding on:

- Human resources management systems;
- Industrial relations practices;
- Risk management strategies and plans; and
- Compliance with legislation and key government policies.

#### *Conflicts of Interests and Independence*

Members are required to declare any Conflicts of Interest and/or Duty that could constitute a real, potential or apparent conflict with respect to participation on the Committee. The disclosure must be made on appointment to the Committee and in relation to specific agenda items at the outset of each Committee meeting.

## *Induction and Development*

New Committee members will receive information and briefings on the work of the Committee to assist them meet their responsibilities. Inductions for new Committee members will be arranged by the Company Secretary.

Committee members have a personal obligation to acquire and maintain the skills and knowledge to perform their role as a Committee member. The Committee will support the ongoing development of individual members of the Committee and make recommendations to the Board as appropriate to ensure, collectively, the Committee has the skills and knowledge to perform its role.

## *Role of Committee Chair*

The Chair is responsible for

- leadership of the Committee, ensuring its effectiveness and setting its agenda;
- ensuring that the agenda is comprehensive and supporting papers are appropriate;
- ensuring timely reports of Committee activities (including recommendations) are provided to the Board in a clear and unambiguous manner; and
- ensuring Committee minutes properly reflect meeting discussions and outcomes.

## **6. Meetings**

### *Meetings*

Meetings shall be held not less than four (4) times a year having regard to Ports North's remuneration and financial reporting cycle. Any member of the Committee, other Board members, the Chief Executive Officer or the General Manager Corporate Services may request a meeting at any time if they consider it necessary. Any member of the Committee who wishes to have the Committee convene shall contact the Committee Chair.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, all other members of the Board, the Chief Executive Officer, the General Manager Corporate Services and any relevant external parties.

A quorum of members of the Committee shall be two. No business may be transacted at a meeting of the Committee unless a quorum is present.

In the absence of the Chair, the members in attendance shall elect a member, other than the Chair of the Board, to Chair the meeting.

The Committee may have in attendance such members of management, and such other persons as it considers necessary to provide appropriate information and explanations. Any members of management in attendance at Committee meetings must be invited to attend such meetings. For the avoidance of doubt, Ports North employees shall only attend meetings of the Committee at the invitation of the Committee.

No individual executive will be permitted to be present when his/her individual remuneration is being discussed.

The Committee may provide for discussion without management present at each meeting of the Committee.

Members of the Committee will be available to meet with relevant regulators on request.

Minutes of all meetings shall be kept and approved by the Committee in a timely manner. Approved minutes of the meeting will be released to all members of the Board, including Directors who are not members of the Committee for their information, and to such other persons as the Board directs.

The secretary of the Committee is the General Manager Corporate Services.

#### *Agenda, Activity Plan & Calendar*

Annually, the Committee adopts an activity plan for the coming calendar year which ensures that all necessary matters are addressed by the Committee at regular meetings using an approved structured meeting agenda. The Committee also adopts a Committee Calendar annually, which sets the dates for all Committee meetings for the following year.

#### *Minutes*

The General Manager Corporate Services takes minutes at Committee meetings. Draft minutes are provided to the Chief Executive Officer and the Committee Chair for approval following the meeting, after which they will be circulated to the Committee. Committee minutes are included in the next Board meeting Board papers.

## **7. Performance Evaluation**

#### *Committee Performance and Effectiveness*

The Ports North Board Charter provides for an annual performance evaluation survey to be undertaken by the relevant Committee Directors.

The performance evaluation and review should take into consideration processes and the efficiency and effectiveness with which the Committee carries them out.

The evaluation process comprises:

- Completion of a survey questionnaire by individual Directors;
- Discussion of the results of this questionnaire; and
- Agreed action plan to address each of the areas requiring action.

Additionally, at the end of each financial year the Committee Chair, together with the Chief Executive Officer, submit a report to the Board which provides an overview of the operations of the Committee having regard to the Charter of the Committee. These reports are used by the Board as the basis for its annual assessment of the effectiveness of each Committee.

## **8. Review of the Charter**

This Charter is approved and issued by the Committee. The Committee shall review the adequacy of this Charter at least every three (3) years, or earlier as required by the Chair.

## **9. Related Documents**

- Corporate Governance Framework
- Delegations Register
- Directors and Senior Executives Code of Conduct

- Board of Directors Charter
- Audit and Risk Committee Charter
- Directors Handbook
- Disclosure to Shareholders Policy

## References

1. Queensland Corporate Governance Guidelines for Government Owned Corporations.
2. ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition).
3. Queensland Treasury - Improving Accountability & Performance

<b>REVIEWED BY:</b>	Human Resources Committee	<b>DATE:</b>	13 November 2020
<b>APPROVED BY:</b>	Board of Directors	<b>DATE:</b>	10 December 2020
<b>APPROVING AUTHORITY</b>	Board of Directors		
<b>DELEGATION INSTRUMENT</b>	10 December 2020		
<b>CUSTODIAN:</b>	General Manager Corporate Services		
<b>COMMENTS:</b>	Reviewed and Approved by the Board of Directors on 10 December 2020		

## Human Resources Committee Delegation Register

Matter Delegated	Delegation Instrument
Motor Vehicle Policy	Board resolution 28 May 2010
Alcohol and Other Drugs Policy	Board resolution 28 May 2010
Workplace Harassment Policy	Board resolution 28 May 2010
Workplace Rehabilitation Policy	Board resolution 28 May 2010
Code of Employee Conduct	Board resolution 28 May 2010
Equal Employment Opportunity Policy	Board resolution 28 May 2010
Recruitment and Selection Policy	Board resolution 28 May 2010
Study Assistance Policy	Board resolution 28 May 2010
Organisation and individual performance scorecards and performance based remuneration payments	Board resolution 27 October 2011
Domestic and Family Violence Support Policy	Board resolution 9 December 2015
Employment Arrangements in the Event of a Health Pandemic	Board circular resolution 23 March 2020
Working From Home Policy	Board circular resolution 23 March 2020
Ports Safety Management Policy (Initial endorsement)	Board resolution 24 March 2016
Remuneration Policy – Management Positions (Initial endorsement)	Board resolution 28 May 2010