



DIRECTORS' CODE OF CONDUCT

1. APPLICATION:

This Code of Conduct shall apply to all duly appointed Directors of the Mackay Port Authority.

2. REFERENCES:

Corporate Governance Guidelines for Government Owned Corporations – Issues by Queensland Treasury, September 2005

Government Owned Corporations Act 1993

Australian Institute of Company Directors Code of Conduct

Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities

Port of Brisbane Corporation – Directors' Code of Conduct

3. POLICY

This document outlines the role and duties of directors of the Mackay Port Authority (“the Authority”), and provides guidelines for appropriate behaviour by directors of the Authority in the performance of their duties. It is to be read in conjunction with relevant legislation and Authority policies.

3.1 Roles

The role of statutory GOC boards specifically includes the following:

- responsibility for the GOC's commercial policy and management;
- ensuring that, as far as possible, the GOC achieves, and acts in accordance with, its statement of corporate intent and carries out its objectives outlined in its statement of corporate intent;
- accounting to the GOC's shareholders for its performance as required by the GOC Act and other laws applying to the GOC; and
- ensuring that the GOC otherwise performs its functions in a proper, effective and efficient way.

3.2 Duties

Part 12 of the *Government Owned Corporations (GOC) Act 1993* deals with the duties and liabilities of directors. Directors of statutory GOCs specifically have a duty:

- To act honestly in the exercise of their powers and discharge of functions;
- To disclose direct or indirect interests in a matter being considered, or about to be considered, by the Board
- To exercise a degree of care and diligence; and
- Not to make improper use of information or position to gain, directly or indirectly, an advantage for himself or herself or to the detriment of the GOC.

Directors also have a positive duty to prevent insolvent trading, and not to make false or misleading statements concerning the affairs of the GOC.

3.3 Exercise of Powers and Discharge of Functions

Directors should endeavour to ensure that the functions of the Board have been specified clearly, are properly understood and are competently discharged in the interests of the Authority.

Directors should endeavour to ensure that the Authority is financial viable, properly managed and constantly improved, so as to protect and enhance the interests of the shareholders.

Directors have an obligation to be independent in judgment and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

3.4 Conflict of Interest

The personal interests of a director, or those of a director's family, must not be allowed to prevail over those of the Authority. A director should seek to avoid conflicts of interest wherever possible. Full disclosure of any conflict, or potential conflict, must be made to the Board.

In addition, directors are required to make an annual disclosure of interests and must notify the Board of any changes to these as and when they occur.

Where a conflict does arise, a director must consider whether to refrain from participating in the debate, whether to be absent from discussion of the matter, whether to arrange that the relevant board papers are not sent, or, in extreme cases, whether to resign from the Board.

Directors may be required to sign documentation indicating there is no conflict of interest.

3.5 Confidential Information

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Authority, and it is improper for a director to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Authority or is required by law.

Directors are required to sign a confidentiality agreement.

Directors should ensure that all records and files in their possession are secured. This includes computer files that should not be accessed by unauthorised people.

3.6 Financial and Other Private Interests

A director must not take improper advantage of the position of director.

Directors should not use commercially sensitive information regarding the Authority's business, or any information acquired in the course of their employment, for their own personal gain or for that of others, such as friends, relatives or business associates.

3.7 Honorariums, Benefits and Entertainment

Seeking any gifts, favours or forms of entertainment in return for, or exchange of, business, services or information is unacceptable and could damage the Authority's integrity and reputation.

When accepting business-related invitations, including lunches, care must be taken to ensure that they are necessary, and that their value and frequency are not excessive. Directors should advise the Chairman if they believe they have been offered a bribe, or have been offered or have received a favour or benefit.

When entertaining in their capacity as directors of the Authority, directors should comply with all conditions of the Authority's Entertainment policy.

3.8 Political and Community Participation

Directors should not engage in conduct likely to bring discredit upon the Authority.

Directors wishing to engage in any political, semi-political or community group activity do so at their sole discretion in their own right, and without involving the Authority or their position with Mackay Port Authority, or any of the Authority's assets or information.

3.9 Public Comment

Directors must not make any public comment or comment to the media on behalf of, or about the Authority, without the approval of the Chairman. Directors have the right to make public comment and enter into public debate on political and social issues in a private capacity; however, it is important that these views are not presented in such a way that they may be interpreted as being the views of the Authority.

3.10 Fairness and Equity

Directors are expected to abide by the principles of Equal Employment Opportunity and anti-discrimination, and treat their fellow directors and Authority employees fairly and equitably with respect, courtesy, compassion and sensitivity.

3.11 Trading in Securities Policy

A director shall not trade securities in any company where the Director is aware of unpublished price-sensitive information relating to the company or any of its entities. Directors are responsible for ensuring that they comply with this policy, in addition to satisfying any legal duties that apply to them in respect to insider trading and tipping. In particular, Directors should be aware of the provisions of the Corporations Act 2001 relating to prohibited conduct of persons in possession of inside information.

Such trading may involve a misuse of information or give rise to a conflict of interest. Improper use of information or obtaining a benefit dishonestly may amount to official misconduct or a criminal offence, such as insider trading or tipping.

Where there is a reasonable risk that any proposed trading in securities may give rise to a perception of misuse of information or conflict of interest, the proposed trading should be disclosed and will be subject to the approval of the Board in respect to any Director. As with other potential conflict of interest situations, trading in securities by family members and associates may also give rise to actual or potential conflict of interest and should be dealt with in accordance with the Code.

Price-sensitive information is information that may have a material effect on the price or value of that company's securities because it would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the securities. In applying this policy, "securities" are considered broadly, and include shares, options to acquire shares, derivatives in relation to shares (eg. Warrants created by third parties) and hybrid securities (eg convertible notes).

Examples:

- The Authority may be proposing to enter into an arrangement with another company – the information about any proposed arrangement may be price-sensitive information for the other company;
- In conducting due diligence on a prospective contractor, a Director may come across price-sensitive information (eg forecasts or other financial information). As well as being confidential information, that information may be "unpublished price-sensitive" information about that client.

3.12 Breaches of the Code of Conduct

A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Any disciplinary action required will be determined by the Chairman following discussion with the Shareholding Ministers, if warranted.

4. ADOPTION & REVIEW

4.1 Adoption

This policy was reviewed and again adopted by the Board of the Mackay Port Authority at its Meeting held on 29th February 2008.

4.2 Review Date

This policy is subject to review forthwith after conversion to a Company Government Owned Corporation and bi-annually thereafter.