

PORTS OF JERSEY BOARD TERMS OF REFERENCE

1. Purpose

- 1.1. The purpose of this document is to set out the matters reserved for decision by the Board of Directors, ensuring strategic oversight, statutory compliance, and accountability to the Shareholder as defined in the Memorandum of Understanding (MoU) with the Minister for Treasury and Resources.

2. Membership

- 2.1. The Board shall comprise of 6 non-executive directors (NED), including the Chair, as well as the CEO and CFO. Members of the Board shall be appointed by the nomination committee.
- 2.2. Only members of the Board have the right to attend Board meetings. However, other individuals such as other executive directors, heads of function and representatives from the relevant function may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 2.3. External attendees will be invited to attend meetings of the Board when appropriate and necessary.
- 2.4. The Nomination Committee oversees board appointments in consultation with the Chair. Appointments to the Board shall be for a term of up to three years, which may be extended for an additional two terms of up to three years each, provided the director still meets the criteria for membership of the Board.
- 2.5. The Board chair is appointed through the Jersey Appointment Commission process and must be an independent non-executive director. In the absence of the Board chair and/or Senior Independent Director (SID), the remaining members present shall elect one of themselves to chair the meeting.

3. Secretary

- 3.1. The company secretary or their nominee shall act as the secretary of the Board.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

5. Notice of meetings

- 5.1. Meetings of the Board shall be called by the secretary of the Board at the request of any of its members if they consider it necessary.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Board, any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees as appropriate, at the same time.

6. Minutes of meetings

- 6.1. The secretary shall minute the proceedings of all meetings of the Board, including recording the names of those present and in attendance.

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6.2. Draft minutes of Board meetings shall be circulated promptly to the Board and approved at the next meeting.

7. Matters Reserved for the Board

7.1. The Board retains exclusive authority over:

7.2. Strategic Oversight

- Responsibility and approval of overall direction, objectives and strategy (SBP) and associated KPIs.
- Oversight of Public Service Obligations (PSOs) under Article 6 of the Incorporation Law.
- Extension of the Company's activities into new business areas.
- Decisions to cease operating all or a material part of the Company's business.
- Major changes to corporate, management or control structure.

7.3. Financial Oversight

- Approval of annual budgets, financial statements, and capital expenditure.
- Authorisation of material contracts, acquisitions, and disposals.
- Approval of dividend policy and distribution.
- Setting of financial and treasury policies.
- Introduction and material changes to incentive schemes.

7.4. Governance and Compliance

- Appointment and removal of Board members and senior executives (including Company Secretary).
- External auditor appointment and removal.
- Decisions that do not adhere to policy.
- Board remuneration policy.
- Approval of terms of reference for board committees and governance reviews.
- Retained authority as per delegations schedule.
- Ratification of decisions that may conflict with statutory duties, as per Article 74 of the Incorporation Law.

7.5. Risk and Assurance

- Oversight of risk management and internal controls, ensuring appropriate level of risk exposure.
- Approval of risk management frameworks and internal audit plans.

7.6. Shareholder Engagement

- Consultation on litigation, policy responses, and strategic changes.
- Approval required for changes to business nature, asset disposals, borrowing, and remuneration structures.

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8. Reporting responsibilities

- 8.1. The Board shall report to the Shareholder on SBP progress, KPIs, and risks.
- 8.2. The Board shall submit the Annual report within four months of year-end.
- 8.3. The Board shall report to the Shareholder biannually and annually on SBP progress.
- 8.4. The Board shall review their performance annually, with external evaluation every three years.
- 8.5. This ToR shall be reviewed annually and updated as required to reflect changes in legislation, governance standards, or shareholder expectations.

9. Other matters

The Board shall

- 9.1. have access to sufficient resources in order to carry out its duties, including access to the Chief Financial Officer and company secretariat for assistance as required.
- 9.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members, if deemed necessary.
- 9.3. give due consideration to laws and regulations, as appropriate.
- 9.4. oversee any investigation of activities which are within its terms of reference.
- 9.5. shall undertake an annual formal and rigorous evaluation of its own performance, including how effectively members work together; and of its Committees, Chair and individual Directors.
- 9.6. The Chair shall commission a regular externally facilitated board performance review at least every three years, which should consider, inter alia, the composition and diversity of the Board. Outcomes of the reviews are to be presented to the shareholder at a chair and Shareholder Quarterly meeting; timing as mutually agreed.

10. Authority

- 10.1. The board is accountable to the Shareholder (States of Jersey Investments Limited) and operates under the Air and Sea Ports (Incorporation) (Jersey) Law 2015.
- 10.2. The Board shall act in accordance with the POJL Memorandum and Articles of Association and Companies (Standard Table) (Jersey) Order 1992.
- 10.3. The Board is accountable to the Shareholder through the MOU, which outlines obligations to inform, consult, and seek approval on material decisions.

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