



Governance Task Force of the Port Commission of the Port of Houston Authority

Charter

November 2011

A. Purpose and authority

The Governance Task Force is established by the Port Commission of the Port of Houston Authority (Port Authority) for the primary purpose of assisting the Port Commission in creating, updating, and monitoring the Port Authority's governance policies and procedures.

Consistent with this function, the Governance Task Force encourages continuous improvement of, and fosters adherence to, the Port Authority's governance policies, and procedures at all levels. The Governance Task Force also provides for open communication between senior management and the Port Commission.

The Governance Task Force has the authority to initiate investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal or other advisors, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Governance Task Force shall also have the authority to meet with and seek any information it requires from employees, officers, Port Commissioners, or external parties.

The Port Commission will provide appropriate funding, as requested by the Governance Task Force, for compensation to any advisers that the Governance Task Force chooses to engage, and for payment of ordinary administrative expenses of the Governance Task Force that are necessary or appropriate in carrying out its duties.

The Governance Task Force will primarily fulfill its responsibilities by carrying out the activities enumerated in Section C of this charter.

B. Composition and meetings

The Governance Task Force will be comprised of three or more Port Commissioners, as determined by the Port Commission or Chairman of the Port Commission.

Unless a chairperson is selected by the Port Commission or Chairman of the Port Commission, the members of the task force may designate a chairperson by majority vote.

The task force will meet periodically as circumstances dictate. The task force chairperson will approve the agenda for the task force's meetings and any member may request items for inclusion on the agenda.

As part of its responsibility to foster open communication, the task force may meet periodically with management and staff in separate executive sessions as permitted by the Texas Open Meetings Act.

C. Responsibilities and duties

To fulfill its responsibilities and duties, the Governance Task Force will:

Governance policies and procedures

1. Develop and recommend to the Port Commission by-laws setting forth rules and procedures for conducting the business of the Port Commission.
2. Develop and recommend to the Port Commission, with the assistance of the Port Commission Special Counsel or other counsel selected by the task force, a Port Commission Conflict of Interest Policy and Procedures.
3. Consistent with the Texas Open Meetings Act, consult with and support the Audit Task Force to periodically review and recommend to the Port Commission revisions to the Port Authority's code of ethics.
4. Consistent with the Texas Open Meetings Act, consult with and support the Audit Task Force with respect to the establishment of (a) procedures for receipt, retention and treatment of complaints regarding the accounting, internal accounting controls, and auditing matters; and (b) procedures for the confidential, anonymous submission by employees (whistleblowers) of concerns regarding questionable accounting, auditing, or other compliance matters.
5. Consistent with the Texas Open Meetings Act, consult with and support the Procurement Task Force to periodically review and recommend to the Port Commission revisions to the Port Authority's policies and procedures regarding procurement of goods and services.
6. Consistent with the Texas Open Meetings Act, consult with and support the Small Business Development and Community Relations Task Force to periodically review and recommend to the Port Commission revisions to the Port Authority's Small Business Development Program.

7. Consistent with the Texas Open Meetings Act, consult with and support any other Port Commission task force in preparing of policies and procedures relating to governance.
8. Develop and recommend to the Port Commission any other policies or procedures relating to the governance of the Port Authority.
9. Review governance trends and best practices for their applicability to the Port Authority.
10. Advise the Port Commission of current best practices in governance.
11. Consistent with the foregoing, take such other actions as it deems necessary to encourage continuous improvement of, and foster adherence to, Port Authority governance policies and procedures at all levels.

Port Commission meetings and information

12. Review, with the Chairman of the Port Commission and the Chief Executive Officer, the annual meeting calendar for the Port Commission.
13. Review and advise regarding the process for preparing agendas for Port Commission meetings, with the Chairman of the Port Commission and the Chief Executive Officer.
14. Review and advise regarding the detail and appropriate timing for distribution of Port Commission materials to allow the Port Commission adequate time to review materials and prepare for meetings.
15. Monitor the process and scope of Port Commissioner access to Port Authority management and employees and communications between Port Commissioners and Port Authority management and employees.
16. Review and advise the Port Commission regarding other Port Commission briefing materials and educational initiatives.

Compliance

17. Oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

18. Review, with the assistance of the Port Commission Special Counsel or other counsel selected by the task force, actual or potential conflicts of interest between a Port Commissioner and the Port Authority in accordance with the Port Commission Conflict of Interest Policy, and advise the Port Commission regarding such matters.
19. Review, with Port Authority counsel, legal compliance and legal matters that could have a significant impact on the Port Authority's governance.
20. Periodically review any other significant issues internal governance activities that could have a significant impact on Port Authority governance.
21. Obtain regular updates from management and counsel regarding other governance matters.

Management selection and development

22. Review and advise the Port Commission regarding procedures for selection of the Chief Executive Officer and, in consultation with the Chief Executive Officer, other senior management.
23. Review and advise the Port Commission regarding guidelines for and monitor compliance with long-range succession planning.
24. Review and advise the Port Commission, in consultation with the Chief Executive Officer, a short-term succession plan for unexpected situations affecting the Chief Executive Officer and senior management.
25. Review and advise the Port Commission regarding procedures relating to executive development.
26. Review and advise the Port Commission regarding performance evaluations of senior management.

Reporting

27. Report regularly to the Port Commission regarding the execution of the Governance Task Force's duties and responsibilities, activities, any issues encountered, and related recommendations.

Other responsibilities

28. Review and approve, to avoid redundancy or inconsistency, charters for all task forces of the Port Commission, which charters shall be submitted to the Port Commission for final approval.
29. Assist in the periodic formation of new task forces, elimination or restructuring of established task forces, and nomination of task force members.
30. Conduct a periodic assessment of this charter and the Governance Task Force's purpose, duties, and responsibilities hereunder, and recommend to the Port Commission any changes or amendments.
31. Perform any other activities consistent with this charter and governing laws that the Port Commission or Governance Task Force determines are necessary or appropriate.