

**SECOND AMENDED AND RESTATED
OPERATING RULES OF THE PORT COMMISSION OF THE
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
ADOPTED FEBRUARY 20, 2024**

Section 1. Officers; Terms of Office.

The officers of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas ("PCCA") are Chair, Vice Chair and Secretary. The officers of the Port Commission will be elected by the Port Commission each calendar year at the first meeting of the Port Commission held during such calendar year. A vacancy in any office will be filled by a vote of the Port Commission. Election of officers and filling of vacancies will be by a vote of a majority of the Port Commissioners then serving. Each officer shall hold office until his or her successor has been elected, or until the officer is no longer a Port Commissioner.

Section 2. Meetings.

The Port Commission's regular monthly meeting will be on the third Tuesday of each month. The Chair may change the date of a regular Port Commission meeting for a particular month when circumstances necessitate a change of date.

The Chair or any four (4) Port Commissioners may schedule a special meeting or an emergency meeting of the Port Commission by providing the Chief Executive Officer ("CEO") with written instructions concerning the date, time, place and primary purpose of the meeting.

The Chair and the CEO will establish the agenda for each Port Commission meeting. Any two Port Commissioners may direct the CEO in writing to place a matter on the agenda for a particular Port Commission meeting, and the CEO will do so. The CEO will send a draft of the agenda for each Port Commission meeting to the Port Commissioners by the close of business on the sixth day before such meeting.

All meetings of the Port Commission shall be conducted in accordance with the statutes and laws of the State of Texas applicable to governmental bodies in Texas, and in particular the Texas Open Meetings Act as codified in Chapter 551, Texas Government Code.

Notice of and the agenda for all regular or specially called meetings of the Port Commission shall be posted in compliance with the Texas Open Meetings Act, and in the manner applicable to a district or political subdivision extending into fewer than four counties.

All materials, including but not limited to memorandums, agreements, financial information, recommendations and correspondence, provided by PCCA's staff or professional advisors to the members of the Port Commission to be used by the members of the Port Commission in addressing or taking action on an agenda item at a Port Commission meeting (collectively referred to herein as the "Supporting Materials") shall be provided to the members of the Port Commission electronically by the close of business on the fifth day prior to the day of the meeting at which the agenda item will be considered (the "Supporting Materials Deadline").

If the Supporting Materials for a posted agenda item are provided to the members of the Port Commission after the Supporting Materials Deadline for that agenda item, then, in that event, the agenda item shall be tabled for consideration at a subsequent regular or specially called meeting of the Port Commission.

Should the Supporting Materials for a properly posted agenda item be provided to the members of the Port Commission after the Supporting Materials Deadline for that agenda item, the members of the Port Commission may consider and take action on the agenda item with the approval of at least five members of the Port Commission.

At or before the commencement of each Port Commission meeting, any Port Commissioner who intends to abstain from participating in the discussion of, and voting on, an agenda item in accordance with Section 1.04 of the Amended and Restated Code of Ethics of Port of Corpus Christi Authority of Nueces County, Texas ("PCCA Code of Ethics") shall file the required affidavit with PCCA's official record keeper and abstain from participating in, or voting on, such agenda item.

At any meeting of the Port Commission the presiding officer shall permit the public to comment with respect to an agenda item during its consideration or during the Public Comment section of the agenda. Comments by the public are encouraged but will be limited to three minutes per speaker. When there are

several persons who wish to speak for or against a matter, the presiding officer may limit the total amount of time allocated to each side and the respective sides will decide who among them will speak.

At each meeting of the Port Commission a staff person designated by the CEO will provide a sign-in sheet near the main entrance to the meeting room for those members of the public wishing to speak at the meeting. Any person wishing to speak at a Port Commission meeting shall write the following information on the sign-in sheet: his or her name, address and the subject about which the person wishes to speak.

Section 3. Closed Meetings and Confidentiality Policy.

Closed meetings of the Port Commission shall be held in accordance with Subchapter E of Chapter 551 of the Texas Government Code, as amended. The Port Commission may generally hold a closed meeting for one or more of the following reasons:

1. certain consultations with its attorneys;
2. discussions about buying, selling, leasing, and/or transferring real property;
3. consideration of specific personnel matters;
4. discussions about certain economic development matters;
5. discussions about security personnel, security devices, or a security audit; and
6. certain information relating to the subject of emergencies and disasters.

Closed meetings are confidential and it is the policy of the Port Commission that the nature and content of such meetings shall not be disclosed by Port Commissioners, staff members, or any other attendees to any person not entitled to receive such information without Port Commission approval ("Confidentiality Policy"). In accordance with this Confidentiality Policy, any audio, photographic or video recording of the contents of a closed meeting is strictly prohibited, except as otherwise allowed by applicable law.

"Confidential Information" is defined as any information that a Port Commissioner, PCCA employee, or other attendee acquires about a PCCA matter in a closed meeting that is not otherwise publicly available. Confidential Information includes, but is not limited to, the content of all discussions in a closed meeting of the Port Commission, including any and all legal advice, power point presentations, maps, surveys, materials, documents, correspondence, reports, appraisals, evaluations, financial incentives,

settlement offers, and contractual terms and conditions prepared or circulated in connection with the discussions in a closed meeting. Confidential Information also includes the discussions and deliberations themselves. No person shall use this Confidential Information for his or her own personal benefit or to benefit persons or entities other than PCCA. In accordance with the Confidentiality Policy, each Port Commissioner, PCCA employee, and all other attendees shall execute and deliver to the Chief Executive Officer the Confidentiality Pledge attached to these Operating Rules as Attachment One (“Confidentiality Pledge”). Further, a person who is not a Port Commissioner shall not be admitted to a closed meeting of the Port Commission until such person has executed and delivered to the Chief Executive Officer the Confidentiality Pledge. A Port Commissioner who violates this Confidentiality Policy shall be subject to censure under Section 14 of these Operating Rules regardless of whether the Commissioner has signed the Confidentiality Pledge.

If a Port Commissioner determines that he or she has a conflict of interest with respect to any matter on the agenda for a closed meeting, the Commissioner shall announce, prior to commencing discussions on the matter at issue, that he or she has a conflict of interest with respect to such matter and shall excuse himself or herself from the meeting while that matter is being discussed. Should a Port Commissioner or a Family Affiliate (as defined below) of a Port Commissioner sue or overtly threaten to sue PCCA, such Port Commissioner is prohibited from using his or her position to obtain Confidential Information related to the pending or threatened litigation and may not attend a closed meeting regarding the pending or threatened litigation.

“Family Affiliate” means, with respect to a Port Commissioner, (1) the Port Commissioner’s spouse, father, mother, grandfather, grandmother, grandson, granddaughter, brother, sister, son, daughter, spouse’s children, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law and adoptive relationships being treated the same as natural relationships, (2) any person who resides in the same dwelling unit as the Port Commissioner, (3) any trust established for the benefit of (x) the Port Commissioner and/or (y) any of the persons set forth in the foregoing clauses (1) or (2), and (4) any business entity with respect to which at least 10 percent of the outstanding capital stock or other equity

interests are beneficially owned by (x) the Port Commissioner and/or (y) any of the persons or trusts set forth in the foregoing clauses (1), (2), or (3).

Section 4. Port Commission Committees.

The Port Commission has three standing committees – the Audit Committee, the Security Committee, and the Long-Range Planning Committee. The Port Commission may establish additional standing committees from time to time by an amendment to these Operating Rules.

The functions of the Audit Committee are (i) to review the financial affairs of PCCA, (ii) to approve, reject or modify any proposed increases in the base salaries of the Chief Officers proposed by the CEO (over cost of living adjustments) that exceed the applicable salary grades for the Chief Officers, (iii) to approve, reject or modify any bonus plan for the Chief Officers proposed by the CEO, (iv) to make recommendations with respect to the selection of PCCA's auditors, (v) to meet with PCCA's auditors to review their annual audit report of PCCA's activities, and (vi) to act as a designated investment committee advising the investment officer of PCCA pursuant to Section 2256.0005(e), Texas Government Code, and PCCA's Investment Policy, as amended from time to time. PCCA's Chief Officers are the Chief Financial Officer, Chief Operating Officer, Chief External Affairs Officer, Chief Strategy and Sustainability Officer, Chief Talent Officer, and any other PCCA employee with title of Chief Officer except the CEO. The Audit Committee shall consist of three Port Commissioners.

The functions of the Security Committee are to periodically review and make recommendations regarding the security of PCCA's physical assets and electronic data and the Port of Corpus Christi ship channels and to consult with PCCA's Chief of Police on a regular basis concerning these matters. The Security Committee shall consist of three Port Commissioners.

The functions of the Long-Range Planning Committee are to assist the Port Commission in fulfilling its responsibilities with respect to oversight of PCCA's Strategic Plan 2014-2020 ("Strategic Plan"), including the Property Planning Guide described in the Strategic Plan, and evaluation of strategic transactions and significant capital projects for consistency with the Strategic Plan. The Long-Range Planning Committee shall consist of three Port Commissioners.

The Chair may establish or abolish special committees from time to time in the Chair's sole discretion. The Chair will appoint the members, Chairperson and Vice Chair of each standing or special committee as soon as practicable after the Chair's election or the establishment of such committee, as the case may be.

The Chair will appoint PCCA's representatives on the governing boards or committees of any outside organizations to which PCCA has the right to appoint representatives.

The Port Commission will elect the directors of PCCA's Industrial Development Corporation in accordance with the bylaws of the corporation.

The "Port Commission Committees" means, as of any date, the standing and special committees of the Port Commission in existence on that date. Each Port Commission Committee will meet periodically as circumstances dictate on the date and time selected by the Committee Chairperson. The Committee Chairperson and the Chief Executive Officer will establish the agenda for each Port Commission Committee meeting. The Chairperson of each Port Commission Committee may direct PCCA staff to support the committee's activities with the information requested by the Chairperson. The affirmative vote of a majority of the Committee members present and voting at any Port Commission Committee meeting at which a quorum is present is sufficient for the adoption of any motion or resolution presented to the Committee members for a vote. A Port Commission Committee meeting will be conducted in accordance with the Texas Open Meetings Act if and when the Committee Chairperson determines it is appropriate to do so. The Committee Chairperson will preside at each meeting of a Port Commission Committee and decide the order in which the agenda items will be acted upon. The Committee Chairperson will decide all questions of parliamentary procedure, and there is no appeal from the decision of the Chairperson. If a Committee Chairperson of a Port Commission Committee is not present at a Port Commission Committee meeting, the Vice Chair of the committee shall perform the duties and have the authority to exercise the powers of the Committee Chairperson.

Section 5. Duties and Authority of Officers.

The Chair will preside at all meetings of the Port Commission and decide the order in which the agenda items will be acted upon. The Chair will put to a vote all questions which are properly moved or necessarily arise in the course of the proceedings and announce the result of each vote. The Chair will decide all questions of parliamentary procedure, and there is no appeal from the decision of the Chair. Counsel for the Port Commission may advise the Chair on matters of parliamentary procedure.

If the office of Chair is vacant, the Vice Chair shall perform the duties and have the authority to exercise the powers of the Chair. The Vice Chair will act as the presiding officer of any Port Commission meeting at which the Chair is absent or whenever the Chair chooses not to act as the presiding officer.

The Secretary will review and sign the minutes of the meetings of the Port Commission and will, when appropriate, attest the execution of documents by PCCA's officers or the CEO.

The Chair, Vice Chair, Secretary, or CEO may execute agreements and other documents approved by the Port Commission and approved as to legal form by Counsel for the Port Commission.

The Chair may consult with PCCA's General Counsel (see Section 16) regarding legal issues pertaining to PCCA's governance and operations and may request formal or informal legal opinions from PCCA's General Counsel regarding PCCA's or the Chair's authority to take certain actions with or without Port Commission approval.

Section 6. Quorum; Voting.

Four (4) Port Commissioners constitute a quorum for the purpose of conducting business at any meeting of the Port Commission. The affirmative vote of a majority of the Port Commissioners present and voting at any meeting at which a quorum is present, but not less than the affirmative vote of three Port Commissioners, is sufficient for the adoption of any motion or resolution except where a vote of greater than a majority of Port Commissioners present and voting at the meeting is required by law, statute or these rules. Each Port Commissioner present at a meeting shall be entitled to vote on any issue put to a vote of the Port Commission at such meeting, except as provided in PCCA's Code of Ethics, or Chapter 171 of the Texas Local Government Code. When a Port Commissioner present at a meeting abstains from voting on a matter

taken up by the Port Commission, the record will reflect the Port Commissioner's abstention, and any certifications regarding the voting record on such matter shall reflect the Port Commissioner's abstention. If a Port Commissioner is absent from a meeting of the Port Commission, the minutes of the meeting shall reflect the Port Commissioner's absence.

Section 7. Robert's Rules of Order.

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Port Commission in all cases to which they are applicable and in which they are not inconsistent with any law, statute, or rule of the Port Commission.

Section 8. Relationship between Port Commissioners and PCCA Staff.

a. Intent. This Section addresses the relationship and conduct between Port Commissioners and staff with the intent of the Port Commission to: (1) affirm that governing shall be by will of the collective Port Commission, and (2) establish guidelines for Port Commissioners and staff to ensure orderly, consistent and open government.

b. Guidelines for the Port Commission. The Port Commission shall recognize that the primary functions of staff are to execute Port Commission policy and actions taken by the Port Commission, and to keep the Port Commission informed.

c. Requests for Information in PCCA's Possession. If an individual Port Commissioner wishes to examine written or electronic information in PCCA's possession, the Commissioner shall submit a written request for such information to the CEO. The CEO shall not authorize the collection and delivery of such information until the CEO clearly understands the scope of the request and has determined that applicable law does not prohibit the disclosure of such information to the requesting Commissioner. If PCCA is not legally prohibited from disclosing the requested information to the requesting Commissioner, the CEO shall advise the Port Commission as a whole of such information request and staff shall provide the requested information to the requesting Commissioner in a timely manner, but without interfering with PCCA's normal operations.

d. Requests for Information Not in PCCA's Possession. If an individual Port Commissioner requests information that is not in PCCA's possession, staff shall be under no obligation to provide such information to the requesting Commissioner unless (1) in the CEO's opinion such information can be collected and delivered to the requesting Commissioner without spending more than two hours of PCCA staff and/or attorneys' time in doing so, or (2) the Port Commission as a whole directs staff to collect and deliver such information to the requesting Commissioner. Should an individual Commissioner request information that is not in PCCA's possession and that, in the CEO's opinion, will take more than two hours of PCCA staff and/or attorneys' time to gather and deliver, such request must be presented to and approved by the Commission as a whole before any action is taken to collect the requested information.

e. Direction to Staff. Generally, Port Commissioners shall make requests for work to be done through the CEO. Individual members of the Port Commission shall make no attempt to pressure or influence staff decisions, recommendations, workloads, schedules, or departmental priorities without the prior knowledge and approval of the Port Commission as a whole.

f. Guidelines for Staff. Staff shall recognize that its primary function is to execute Port Commission policy and to keep the Port Commission informed. Staff shall present the Port Commission with all relevant information, as well as alternatives, in an objective, succinct manner. The CEO and staff shall be committed to treating each Port Commissioner equally.

g. Timely Response. If the Port Commission as a whole approves an individual Port Commissioner's request for information or request for work, PCCA staff will make every effort to respond in a timely and professional manner to such request.

h. Direction from the Port Commission. Staff is obligated to take guidance and direction only from the Port Commission as a whole or from the appropriate management superiors as may be the case. Staff is directed to reject any attempts by individual members of the Port Commission to unduly influence or otherwise pressure them into making, changing or otherwise suppressing staff decisions or recommendations, or changing departmental work schedules and priorities. Staff shall report such

attempts to influence them in confidence to the CEO, who will inform the Port Commission as a whole of such attempts.

i. Staff Support to Individual Port Commissioners. An exception to the above guidelines may be staff work required in support of the Chairperson of Port Commission Committee or relative to a special assignment (e.g., a Port Commissioner's presentation to an organization regarding the status of PCCA or its projects).

j. Information Distribution. The CEO shall provide all Commissioners with a copy of any information given to a Commissioner pursuant to such Commissioner's request for such information under this Section, along with the approximate number hours expended by staff and/or PCCA's attorneys in gathering and delivering this information.

Section 9. Amendments.

These Operating Rules may only be amended by a vote of two-thirds of all Port Commissioners.

Section 10. Indemnification of Port Commissioners.

a. It is the intent of PCCA to protect its Port Commissioners from defense expense and legal liability through the purchase of appropriate public official's liability insurance, and such other liability insurance as PCCA obtains and maintains in force and effect. The Chief Executive Officer shall periodically report to the Port Commission on the liability insurance coverage maintained in force covering Port Commissioners as insureds and on proposed changes thereto.

b. To the extent that PCCA's liability insurance does not afford coverage with respect to a matter involving a Port Commissioner, it is the express intent of PCCA to indemnify its Port Commissioners to the fullest extent allowed by Texas law for liabilities or legal expense arising from conduct (including acts or omissions) that reasonably appears to be within the scope of a Port Commissioner's authority as such.

c. Absent a conflict of interest, a Port Commissioner named as a defendant along with PCCA shall be defended by PCCA's counsel. Otherwise, in view of the importance of a capable defense,

an individual Commissioner's legal expense related to a civil or criminal action, proceeding, subpoena, investigation, or demand is intended to be funded on a current basis. However, in the event a criminal conviction of a Port Commissioner, or finding of breach of the duty of loyalty to PCCA or official misconduct, on the part of a Port Commissioner, results from any such matter, all legal expense paid by PCCA in connection therewith shall be reimbursed by such Port Commissioner.

d. Port Commissioners who receive notice of a suit, proceeding, subpoena, investigation, or demand related to their service as a Port Commissioner shall promptly inform the General Counsel, who shall determine the applicability of PCCA's insurance coverage and oversee and review requests for funding of any legal expense in connection therewith.

e. Inasmuch as this section is not intended to foreclose any future Port Commission's judgment as to the public interest, all payments under this Section 10 indemnifying for the liability of a Port Commissioner, or funding the legal expense of Port Commissioner, are subject to Port Commission approval. This Section 10 is a non-binding statement of intent and does not create a property interest or a contract and does not waive any of PCCA's immunities under law.

f. Any right of indemnification granted by this Section 10 is in addition to and not in lieu of any other such right to which any Port Commissioner of PCCA may at any time be entitled under the laws of the State of Texas or as otherwise provided for by PCCA. If any indemnification which would otherwise be granted by this Section 10 is disallowed by any competent court or administrative body as illegal or against public policy, then any Port Commissioner with respect to whom such adjudication was made, and any other Port Commissioner, shall be indemnified to the fullest extent permitted by the laws of the State of Texas and public policy.

g. Any Port Commissioner requesting indemnification hereunder shall regularly report to the Port Commission regarding the matters that may be subject to such indemnification, as necessary to keep the Port Commission reasonably informed as to such matters.

h. PCCA may purchase and maintain insurance on behalf of any person who is or was a Port Commissioner of PCCA, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status or former status as Port Commissioner.

i. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of Port Commissioners.

Section 11. General Powers, Authority, Duties, and Responsibilities of the Port Commission.

The Port Commission is vested with all powers, authority, duties, and responsibilities permitted by law for the governance, policymaking, and performance oversight of PCCA and its properties. The Port Commission's powers, authority, duties, and responsibilities include:

a. the framing and adoption of matters of policy including but not limited to budget, goals, vision, and plans;

b. the responsibility to approve the purchase of services (other than employee services), materials, supplies, machinery, equipment, other personal property, real property, and other items to be purchased costing more than \$50,000; and

c. the authority to approve all expenditures from PCCA's Promotion and Development Fund, which authority may be delegated to the CEO; provided, however, that all single-entity expenditures from the Promotion and Development Fund in excess of Fifty Thousand Dollars (\$50,000) in a calendar year shall require the prior approval of the Port Commission or the Port Commission's Audit Committee;

d. the power, authority, duty, and responsibility to select, compensate, retain, and remove PCCA's CEO, and to delegate to the CEO the full authority to manage and operate PCCA's affairs, subject only to orders of the Port Commission;

e. the duty and responsibility to monitor the performance of the CEO for compliance with all applicable federal, state, and local laws, PCCA's budget, and for the CEO's implementation of the Port Commission's policies, standards, regulations, and stated objectives;

f. the duty and responsibility to adopt a budget annually for PCCA in an open meeting, and to ensure by and through PCCA's CEO that each annual budget is made available to the public on PCCA's website;

g. the duty and responsibility to adopt detailed policies in open meetings that document the Port Commission's governance practices, and to ensure by and through PCCA's CEO that such governance practices policies are made available to the public on PCCA's website; and

h. the duty and responsibility to ensure by and through PCCA's CEO that a copy of all policies adopted by the Port Commission that have not been rescinded, superseded, or replaced are distributed to each Commissioner as soon as practicable after the date the person begins a term as Port Commissioner.

Section 12. Powers and Duties of the Chief Executive Officer.

a. The terms "Executive Director," "Chief Executive Officer," and "CEO" are used interchangeably in these Operating Rules and all mean the senior-most staff executive of PCCA. The CEO shall be an employee of PCCA employed by the Port Commission pursuant to the terms and conditions of a mutually agreeable employment contract. The CEO has full authority to manage and operate the affairs of PCCA, subject only to orders of the Port Commission and these Operating Rules.

b. The CEO has the duty and responsibility to implement PCCA's policies, standards, regulations, and stated objectives.

c. The delegation of powers, authority, duties and responsibilities from the Port Commission to the CEO shall not include those specifically reserved to the Port Commission under the laws of the State of Texas, these Operating Rules or as the Port Commission may specify from time-to-time.

d. The CEO has the powers, authority, duties and responsibilities listed below, subject to the provision of Section 12(c) above:

i. subject to the budgetary constraints and policy directives of the Port Commission, employ, supervise, manage, direct, and establish positions, titles, and salaries of PCCA employees, and to discharge these employees;

ii. collect revenues and monies due PCCA and deposit them to PCCA's accounts;

- iii. make purchases and enter into contracts in accordance with Port Commission policies, orders, directives, and/or these Operating Rules;
 - iv. administer PCCA's relationships with public and private bodies, agencies, and associations, and serve such entities in such capacity as may be directed by the Port Commission;
 - v. make such reports to the Port Commission and other authorities as the Port Commission directs, or as required in connection with discharge of the CEO's duties and/or responsibilities, or as required by any federal, state, or local law;
 - vi. keep and maintain all records, accounts, books, files, and papers of PCCA in the manner required under PCCA's document retention policy;
 - vii. sign, attest, certify, or deliver, on behalf of PCCA, agreements, deeds, leases, month-to-month rental agreements, easements, licenses, franchises, permits, minutes, notices, accounts, receipts, invoices, warrants, requisitions, vouchers, checks, records, and other instruments, as required in the lawful and proper discharge of the CEO's duties and responsibilities or otherwise pursuant to applicable law, or as may be approved or as directed by the Port Commission; and
 - viii. perform all other duties and responsibilities of the CEO of PCCA, or as required by law.
- e. The CEO may formally delegate his/her powers, duties, and related powers and authority to one or more PCCA employees.
- f. The CEO may travel as deemed appropriate or necessary to execute the duties and responsibilities of the CEO, but any such travel is subject to the same rules, regulations, and oversight as those established for Port Commissioners, and the CEO must obtain the prior approval of the Chair or Vice Chair of the Commission before traveling out of the United States on behalf of PCCA.
- g. The CEO shall perform such other duties and responsibilities and discharge such other tasks as the Port Commission may specify from time-to-time.

h. Any or all of the duties and responsibilities of the CEO as specified above or later prescribed by the Port Commission are subject to change or cancellation by the Port Commission at any time.

i. The CEO or an authorized representative of the CEO may make purchases or contracts on behalf of PCCA in an amount not to exceed fifty thousand dollars (\$50,000) without Port Commission approval as long as these purchases or contracts are made in accordance with PCCA's then-current *Procurement Policy*.

j. Notwithstanding anything to the contrary contained in Section 11(b) or Section 12(i) of these Operating Rules, the CEO and Chief Financial Officer ("CFO") are each severally authorized for and on behalf of PCCA to negotiate and execute a contract for the acquisition of real property ("Contract") upon such terms and conditions as such officer deems appropriate, without first presenting the Contract to the Port Commission for approval; provided, however, the earnest money under the Contract may not to exceed one percent (1%) of the sales price stated in the Contract or \$50,000, whichever is greater, and the Contract may not proceed to closing without first obtaining Port Commission authorization to close.

k. Notwithstanding anything to the contrary contained in this Section 12, the CEO may not execute a PCCA memorandum of understanding, a PCCA memorandum of agreement, or a PCCA option agreement to lease PCCA real property unless it has been approved by the Port Commission.

l. The CEO may execute a lease of PCCA's real property without Port Commission approval if the property is not more than five acres and the term of the lease is not more than one year. All other leases of PCCA real property require Port Commission approval.

Section 13. Commission Decisions and Public Dissent.

Many Port Commission decisions are not unanimous. Port Commissioners contribute varying, sometimes controversial, and at times conflicting perspectives to a deliberation. New and different ideas assist the Port Commission in reaching an objective and balanced decision. Most Port Commission decisions are based on majority rule, which automatically creates compromises and occasionally dissenting opinions. However, consensus building and healthy debate are ways to improve governance and make better decisions.

If a Port Commissioner strongly disagrees with a motion and votes against it or abstains from voting, that vote will be recorded in the meeting minutes. Before publicly dissenting to a motion passed at a meeting of the Port Commission, dissenting Commissioners should weigh their freedom of speech against their duties of loyalty and confidentiality and acting in the best interests of PCCA. Port Commissioners who dissent in public about a particular Port Commission decision or organizational direction should qualify such dissent by stating it is their own viewpoint and, if true, that the Port Commission decision was made following proper procedures.

Section 14. Censure.

In order to deter violations of law and serious violations of these Operating Rules, the Port Commission may take formal action against its Commissioners for such misconduct in the form of censure. Censure is a formal resolution of the Commission reprimanding one of its own members for specified conduct, generally a violation of law or of these Operating Rules where the violation of policy is considered to be a serious offense. Censure should not follow an occasional error in judgment, which occurs in good faith and is unintentional. Censure carries no fine or suspension of the rights of the member as a Port Commissioner, but a censure is a punitive action that serves as a punishment for wrongdoing. The procedure for censure is as follows:

- a. For purposes of this procedure, "Facilitator" means the Chair of the Commission, if the Chair is not the accused, or the Vice Chair of the Commission if the Chair is the accused.
- b. Any two members of the Commission may submit, in writing to the Facilitator, a complaint and request for a censure hearing concerning an alleged violation of law or serious violation of these Operating Rules by another member. The complaint shall provide specific allegations and any supporting evidence of specific conduct that allegedly violates existing law or these Operating Rules.
- c. The complaining members shall provide the accused Commission member with a copy of the complaint and request for censure as soon as possible following delivery of same to the Facilitator.

d. The Facilitator shall review the allegations of the complaint and conduct whatever investigation into the allegations of the complaint as he or she deems necessary. The Chief Executive Officer shall provide the Facilitator with such administrative support as may be necessary to assist in the Facilitator's investigation and report to the Commission.

e. Upon completion of his or her review of the complaint and any investigation, the Facilitator shall determine if, considering all the facts and evidence, there are reasonable grounds to believe or not believe that the alleged violation of law or serious violation of these Operating Rules occurred. The Facilitator shall prepare a written report to the Commission stating the specific law or policy allegedly violated, and summarizing the complaint, evidence, and the results of his or her investigation. The Facilitator's report shall also include the Facilitator's determination that either the complaint is supported by sufficient evidence of a violation of law or serious violation of these Operating Rules to warrant a censure hearing, or, alternatively, that the complaint is not supported by sufficient evidence of a violation of law or serious violation of these Operating Rules to warrant a censure hearing. The Facilitator shall deliver his or her report to the full Commission in a closed meeting pursuant to Section 551.074, Texas Government Code.

f. If the Facilitator determines that the allegations are supported and a censure hearing is warranted, the Facilitator shall direct the Chief Executive Officer to set the matter for a public censure hearing before the Commission. If the Facilitator concludes that the allegations are not supported and a censure hearing is not warranted, no further action on the complaint will be taken.

g. If a public hearing is set before the Commission, prior to any formal action by the Commission to censure a member, the member against whom censure is sought is entitled to due process of law, which requires notice and an opportunity to be heard, including the opportunity to refute evidence against him or her. The notice of the hearing shall be far enough in advance to give the member subject to censure adequate time to review the allegations and evidence against him or her and prepare a defense, but no longer than 30 days from the date of the Facilitator's report to the Commission.

h. At any time during the censure hearing, the hearing may be terminated with the approval of at least four members of the Commission other than the accused Commissioner. Should the hearing be terminated pursuant to the preceding sentence, no further action on the complaint will be taken.

i. A Commission decision to censure requires the adoption of a resolution making findings, based on substantial evidence, that the member has engaged in conduct that constitutes a violation of law or a serious violation of these Operating Rules. The resolution must be approved by at least four members of the Commission. The accused Commission member shall not participate in the Commission's deliberations after the public hearing is closed or in any vote by the Commission on the proposed censure.

Section 15 Duty to Report Financial Irregularities.

PCCA's CEO and Chief Financial Officer ("CFO") shall have a duty to report to the Chair or to the Chair of the Audit Committee known or suspected financial irregularities at the time they become aware of the irregularity. A "financial irregularity" means an intentional misstatement or omission of information related to PCCA's financial transactions. These acts include, but are not limited to, embezzlement, fraud, and forgery or falsification of reports, documents, or computer files to misappropriate assets. The CEO and CFO shall also have a duty to report to the Chair or to the Chair of the Audit Committee known or suspected financial irregularities at the time they become aware of the irregularity.

Section 16 General and Special Counsel

a. PCCA's General Counsel is engaged by the Port Commission to represent PCCA in the preparation of contracts, to conduct proceedings in or out of court, and to be the legal adviser of the Port Commission. The legal responsibilities of PCCA's General Counsel include: (1) providing legal advice regarding PCCA's compliance with the Water Code, Local Government Code, Government Code, Open Meetings Act, Public Information Act, and similar statutes applicable to PCCA's operations; (2) assisting PCCA in connection with its project partnership agreements with the United States Army Corps of Engineers; (3) reviewing and approving agendas for and contracts to be considered at Port Commission meetings; (4) representing PCCA's interests in litigation, administrative hearings, negotiations and similar

proceedings not assigned to special counsel pursuant to Section 16(b) below; (5) preparing purchase agreements, sales agreements, requests for proposals, requests for competitive sealed bids, letters of intent, memorandums of understanding, leases, licenses, easements, deeds, franchises, permits, ordinances, resolutions, contracts, certificates, releases, notices, legal opinions, and other legal documents in connection with PCCA transactions; (6) assisting PCCA in connection with the formulation of new legislation for the benefit of PCCA and navigation districts generally, (7) keeping the Port Commission and staff apprised of court rulings and legislation affecting the legal interests of PCCA, and (8) managing all of PCCA's legal affairs, including the services of special counsel, in ways that advance PCCA's mission and reduce the risk of litigation and liability. PCCA's General Counsel represents the organization as distinct from its individual Port Commissioners, officers, or employees, but these individuals may rely on General Counsel's legal advice when acting in their official capacities on behalf of the organization.

b. The Port Commission may approve the engagement of special counsel to represent PCCA in particular legal matters when circumstances require or warrant it. When this occurs, PCCA's General Counsel will make recommendations to the Port Commission regarding the selection of special counsel and oversee their legal work for PCCA.

c. No law firm may be engaged to represent or provide legal services to PCCA without the approval of the Port Commission, except in those cases where PCCA's insurance provider requires the use of a particular law firm to defend or protect PCCA's interests. Similarly, PCCA may not initiate any litigation, binding arbitration, or administrative proceedings without the approval of the Port Commission.

Section 17 Business Development Meetings

a. PCCA is engaged in business development meetings on a regular basis, such as international and domestic business development trips, meetings with legislators and governmental officials in Washington, D.C., and Austin, Texas, site visits to port-related projects in other ports throughout the world, visits to the home offices of PCCA's customers, and hosting business meetings in Corpus Christi for PCCA's customers and potential customers. Each of these activities is referred to herein as a "Business Development Meeting." Participation in each Business Development Meeting is limited to no more than three

Commissioners because of the requirements of the Texas Open Meeting Act unless PCCA publishes notice of the meeting in accordance with the Act. PCCA staff shall provide the Commissioners with as much advance notice as possible of each Business Development Meeting.

b. The Chair will determine which Commissioners and the CEO will determine which members of PCCA's staff will attend each Business Development Meeting.

Date of Adoption

At a meeting of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, held on February 20, 2024, at least two-thirds of all Port Commissioners voted to amend and restate the Port Commission's current operating rules in their entirety by adopting the operating rules set forth herein (the "Operating Rules"). In the event of any inconsistencies between the policies and guidelines set forth in the document entitled *The Role of the Commission*, which was approved and adopted by the Port Commission on February 17, 2015, and these Operating Rules, these Operating Rules shall govern and control.

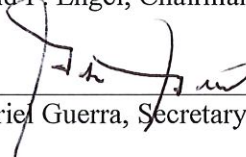
By signing this document below, the undersigned Chairman and Secretary of the Port Commission do hereby certify that the foregoing statements are true and correct.

2/28/2024
Date signed

2/28/2024
Date signed



David P. Engel, Chairman



Gabriel Guerra, Secretary

ATTACHMENT ONE

**CONFIDENTIALITY POLICY AND PLEDGE CONCERNING CLOSED MEETINGS
OF THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY**

Closed meetings of the Port Commission of the Port of Corpus Christi Authority ("PCCA") are confidential and it is the policy of the Port Commission that the nature and content of such meetings shall not be disclosed by Port Commissioners, staff members, or any other attendees to any person not entitled to receive such information without Port Commission approval ("Confidentiality Policy"). In accordance with this Confidentiality Policy, any audio, photographic or video recordings of the contents of a closed meeting is strictly prohibited, except as otherwise required by applicable law.

"Confidential Information" is defined as any information that a Port Commissioner, PCCA employee, or other attendee acquires about a PCCA matter in a closed meeting that is not otherwise publicly available. Confidential information includes, but is not limited to, the content of all discussions in a closed meeting of the Port Commission, including any and all legal advice, power point presentations, maps, surveys, materials, documents, correspondence reports, appraisals, evaluations, financial incentives, settlement offers, contractual terms and conditions, prepared or circulated in connection with the discussions in a closed meeting. Confidential Information also includes the discussions and deliberations themselves. No person shall use this Confidential Information for his or her own personal benefit or to benefit persons or entities other than PCCA.

Any Port Commissioner who discloses Confidential Information is subject to censure, and any PCCA employee who discloses Confidential Information is subject to disciplinary action, including termination of employment. PCCA may terminate its contract(s) with any other person who discloses Confidential Information even if he or she does not actually benefit from the disclosure of such information

I understand the above policy and pledge not to disclose confidential information.

Signature: _____

Print Name: _____

Date: _____

Please sign and return to the Chief Executive Officer