



Board Charter

Last approved by the Board of Directors: 24 July 2020

1 Introduction

The Board of Directors of Australian Pipeline Limited (**APL**) is accountable to shareholders of Australian Pipeline Limited and the securityholders of Australian Pipeline Trust and APT Investment Trust (together, **APA Group**) for the performance of the APA Group companies.

2 Role of the Board

The Board's responsibilities include:

- Approving the core values and purpose of APA Group and articulations of APA Group's desired corporate culture (including the APA Code of Conduct);
- Approving the strategic intent of APA Group and monitoring management's implementation in line with the values, purpose and desired corporate culture of APA Group;
- Selecting and appointing (and, if appropriate, removing from office) the Managing Director and Chief Executive Officer (**CEO**), determining his/her conditions of service and monitoring his/her performance against established objectives;
- Approving the appointment (and, if appropriate, the removal from office) of the Chief Financial Officer and Company Secretary;
- Assessing the skills, experience and diversity desirable for the Board and reviewing the extent to which it is represented on the Board;
- Assessing the performance of the Board, its Committees and individual non-executive directors;
- Assessing suitable candidates for the Board and the nomination and appointment of Directors;
- Reviewing, on a regular basis, Board and senior management succession planning and development;
- Approving conditions of service and performance monitoring procedures to apply to senior management, including with respect to risk outcomes and corporate culture;
- Determining the distribution policy and the amount, nature and timing of distributions;

- Approving annual budgets and longer-term strategic and business plans, including major capital expenditure;
- Monitoring and reviewing financial performance and management processes aimed at ensuring the integrity of financial reporting (including the external audit), and approving the half-year and annual financial statements and reports;
- Setting specific limits of authority for management to commit APA Group to including new expenditure, enter contracts or acquire businesses without prior Board approval;
- Approving the risk appetite statement within which the Board expects management to operate;
- Reviewing and considering the potential impacts of risks relating to climate change on APA Group's strategy and business;
- Receiving information regarding material breaches of the Code of Conduct;
- Reviewing and approving non-executive directors' board and committee fees;
- Approving APA Group remuneration strategy and policy;
- Setting performance targets for the Managing Director and CEO and management, considering performance against those targets and determining remuneration outcomes, including having regard to risk outcomes and corporate culture;
- Confirming (with the assistance of the People and Remuneration Committee) that APA Group's remuneration policies are aligned with the core values, purpose, strategic direction and risk appetite of APA Group;
- Reviewing and approving material corporate governance principles, policies and procedures, including the policies recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
- Approving measurable objectives for achieving diversity (including gender diversity) in the composition of the Board, the Executive and the workforce generally, and assessing APA Group's progress in achieving those objectives;
- Overseeing APA Group's policies and reporting in respect of modern slavery and human rights related matters, and approving related disclosures; and
- Ensuring effective and timely reporting to securityholders.

3 Delegation to and Role of Management

The Board delegates to the Managing Director and CEO responsibility for:

- Developing the strategic intent of APA Group for approval by the Board; and
- Implementing the strategic intent approved by the Board; and
- Managing the day-to-day operations of APA Group, including incurring expenditure up to the limits of the Board approved budget,

subject to the Delegations of Authority Policy, as amended by the Board from time to time.

The Managing Director and CEO consults with the Chairman, in the first instance, on matters which are of a sensitive or extraordinary or of a strategic nature. The Board will regularly monitor the performance of the Managing Director and CEO and the

Executive and where required, provide feedback to and challenge the Managing Director and CEO and the Executive.

The Managing Director and CEO must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

4 Board Size and Composition

The Board determines the Board size and composition, subject to limits imposed by the Constitution of APL.

The Constitution of APL provides for a minimum of three directors and a maximum of twelve directors, unless the company determines otherwise.

A majority of the Board will be comprised of independent directors. Independence is determined according to the Independence of Directors Policy.

The Chairman will be selected by the Board and will be an independent director. Should the Chairman be absent from any meeting, the members of the Board present will appoint one of those to be Chair of that meeting, subject to that Director being an independent Director.

The Managing Director, where one is appointed, will be the Chief Executive Officer.

A person cannot hold the positions of both Chairman and Chief Executive Officer.

5 Role of Chairman

The Chairman presides over the Board and general meetings of the company, Australian Pipeline Trust and APT Investment Trust. The Chairman has the task of making sure the Board is well informed and effective and that the Board members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and APA Group.

The Chairman is responsible for ensuring that the meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for APA Group.

The Chairman must ensure that general meetings, too, are conducted efficiently and that securityholders have adequate opportunity to express their opinions on, and to ask questions about, the performance of APA Group.

The Chairman's responsibilities also include:

- Ensuring that new Board members are well briefed and have access to information on all aspects of the operations of APA Group;
- Being the Board's representative in dealings with management ensuring that its views are communicated clearly and accurately;
- Acting as a sounding board to the Managing Director and CEO; and
- Representing the views of the Board to the public, government bodies and other like organisations on appropriate occasions.

6 Board Meetings

The Board meets formally on a regular basis, in accordance with a schedule agreed annually, and whenever necessary to deal with urgent matters which might arise

between scheduled meetings.

Senior members of management normally attend Board meetings to present reports requested by the Board or to seek approvals, where required. However, the Board also meets in private session (with only the Board members present) to discuss management issues or matters of a particularly sensitive nature.

7 Board Committees

To assist it in carrying out its responsibilities, the Board has established the following standing committees:

- Audit and Risk Management Committee;
- People and Remuneration Committee;
- Health Safety and Environment Committee; and
- Nomination Committee.

Each Committee has its own charter approved by the Board.

The Chairman of each standing committee will report to the Board on matters under consideration. At the discretion of each committee, the committee Chairman will refer matters considered to be of major importance to the Board (with the referral noted for the Board's information).

8 Role of the Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All Directors will have direct access to the Company Secretary.

9 Review

The Board reviews this charter and the performance of the Board annually.