

# Board Charter

Effective: July 2023

## 1 Introduction

The Board of Directors of APA Group Limited (**APA**) is accountable to shareholders of APA and the securityholders of APA Infrastructure Trust and APA 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 behaviours and purpose of APA Group and articulations of APA Group's desired culture (including the APA Code of Conduct);
- Approving the strategic intent of APA Group and monitoring management's implementation in line with the behaviours, purpose and desired 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 both approving and monitoring his/her performance against remuneration and performance assessment policies;
- 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 those are represented on the Board in consultation with the Nomination Committee;
- Assessing the performance of the Board, its Committees, the Chair and individual non-executive directors;
- Assessing suitable candidates for the Board and the nomination and appointment of non-executive directors;
- Reviewing, on a regular basis, Board and senior management succession planning and development;
- Approving the design of any cash or equity-based annual or long-term incentive plans (**Incentive Plans**) applying to the CEO and Executive Leadership Team (**ELT**), and any material amendments to such plans;
- Approving equity grants and vesting of equity grants to the CEO under an Incentive Plan;
- 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 new expenditure, enter contracts or acquire businesses without prior Board approval;
- Approving the Risk Appetite Statement within which the Board expects management to operate;
- Receiving and reviewing reports from the Risk Management Committee (in consultation with the Safety and Sustainability Committee) on the potential impacts of sustainability risks (including those 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's overall performance and remuneration strategy and frameworks, including confirming (with the assistance of the People and Remuneration Committee) that APA Group's remuneration policies are aligned with the core behaviours, purpose, growth strategy and risk appetite of APA Group;
- Setting annual performance targets for the CEO, considering performance against those targets and determining remuneration outcomes, including having regard to risk and sustainability outcomes and culture;
- 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 ELT and the workforce generally, and assessing APA Group's progress in achieving those objectives;
- Approving disclosures in respect of modern slavery and human rights related matters; 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;
- 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 Chair, in the first instance, on matters which are of a sensitive, extraordinary or strategic nature. The Board will regularly monitor the performance of the Managing Director and CEO and the ELT and where required, provide feedback to and challenge the Managing Director and CEO and the ELT

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 APA.

The Constitution of APA 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 Chair will be selected by the Board and will be an independent director. Should the Chair be absent from any meeting, the directors present will appoint one of themselves to be chairperson 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 Chair and Chief Executive Officer.

## 5 Role of Chair

The Chair presides over the Board and general meetings of the company, APA Infrastructure Trust and APA Investment Trust. The Chair 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 Chair 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 Chair must ensure that general meetings 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 Chair'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 to ensure 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, other like organisations and stakeholders on appropriate occasions.

## 6 Board Committees

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

- Audit and Finance Committee;
- Risk Management Committee;
- People and Remuneration Committee;

- Safety and Sustainability Committee; and
- Nomination Committee.

Each Committee has its own charter approved by the Board.

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

## **7 Role of the Company Secretary**

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

## **8 Administrative matters and procedures**

The proceedings of the Board will be conducted in accordance with provisions set out in Attachment 1.

## **Attachment 1 – Administrative matters and procedures**

### **A1. 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.

### **A2. Constitution**

The Constitution of APA governs the regulation and proceedings of Board meetings.

### **A3. Review**

The Board will review this charter and the performance of the Board annually.