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**APA Group**

**Board Rotation and Succession Policy**



## 1 Purpose

To provide a process by which the board of directors (**Board**) of APA Group Limited, the responsible entity of APA Infrastructure Trust and APA Investment Trust (**APA**) reviews whether to support for re-election directors who are required to retire by “rotation” each year, but who wish to stand for re-election.

## 2 Scope

This policy applies to the Board and sets out the annual review process for Board retirements, re-elections and succession planning. The review process will occur annually and provides an opportunity for the Board to reassess not only the contributions of retiring directors, but also the blend of qualifications, experience, knowledge and skill represented on the Board and its Committees, and to plan Board succession accordingly.

## 3 Objectives

This policy seeks to ensure that the election, re-election and succession planning process for APA directors is undertaken in a considered way and in satisfaction of APA’s legal obligations.

## 4 Key Provisions

Paragraphs (g), (h), (i) and (k) of clause 7.1 of the constitution of APA Group Limited (**Constitution**) provides as follows:

- (g) *At each annual general meeting one third of the directors for the time being or if their number is not three nor a multiple of three, then the number nearest one third, and any other director not in such one third who has held office for three years or more, must retire from office. In determining the number of directors to retire, no account is to be taken of a director who holds office only until the conclusion of the meeting in accordance with rule 7.1(k) or a Managing Director, all of whom are exempted from retirement by rotation.*
- (h) *The directors to retire at any annual general meeting must be those who have been longest in office since their last election, but, as between persons who became directors on the same day, those to retire must be determined by lot, unless they otherwise agree between themselves.*
- (i) *A director retiring under clause 7.1(g) holds office until the conclusion of the annual general meeting at which that director retires but is eligible for re-election.*
- (k) *The directors may at any time appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, provided that the*

*total number of directors does not exceed the maximum number allowed under this constitution. Any director appointed under this rule 7.1(k) other than a Managing Director holds office until the conclusion of the next annual general meeting of the company and is eligible for re-election.*

## 5 Key principles and tenure

The Board will not automatically support for re-election a director who is required to retire by virtue of clause 7.1(g) or 7.1(k) of the Constitution and who wishes to stand for re-election.

The Board considered whether it is appropriate to determine a fixed, maximum tenure for non-executive directors, but concluded that such a policy is an inflexible approach that fails to recognise that a non-executive director who has served on the board for a period greater than the specified maximum period may still make a valuable contribution, and continue to bring an independent and critical view, to the Board. Consequently, the Board determined that the process set out in this policy provides a more flexible mechanism to address the issue of how long directors ought to serve on the board.

## 6 Key requirements for re-election

Where a director is required to retire under clause 7.1(g) or 7.1(k) of the Constitution and seeks re-election to the Board, the Board (excluding the retiring director) must consider whether to support the retiring director's re-election by having regard to the following:

- the retiring director's performance as a director and his or her qualifications, experience, knowledge and skills;
- the qualifications, experience, knowledge and skills required on the Board and the extent to which those qualifications and that experience, knowledge and skills are represented on the Board;
- whether the retiring director has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of APA and its securityholders;
- the independence of the retiring director by reference to the Board's then current policy on director independence; and
- any other matter the Board (not including the retiring director) considers appropriate.

Only after having had regard to the above matters must the Board (excluding the retiring director) determine whether to nominate the retiring director for re-election and to recommend that nomination to securityholders.

## **7 Related policies/ procedures/ forms**

- Independence of Directors Policy