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APA Group

Independence of Directors Policy



1 Purpose

To provide guidance to the board of directors (**Board**) of APA Group Limited, the responsible entity of APA Infrastructure Trust and APA Investment Trust (**APA**) on:

- how the independence of directors will be determined;
- the obligation of directors to keep the Board informed as to matters that may be relevant to their independence; and
- the disclosures to be made to securityholders with respect to the independence of directors.

2 Scope

This policy applies to the Board.

3 Position

APA Group is committed to conducting APA's business in accordance with high standards of corporate governance. The Board believes that robust corporate governance policies and practices will facilitate the responsible creation of long-term value for securityholders and help it to meet the expectations of other stakeholders.

The ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edn.) articulate eight core principles of good corporate governance and, for each of those principles, recommendations as to their implementation. APA has adopted these, including Recommendation 2.4 which provides the board of a listed entity should have a majority of independent directors. The charter for the Board requires that a majority of the Board be comprised of independent directors, and the charters for the Board Committees require that a majority of committee members be independent directors.

4 Principles

4.1 Considerations

The Board must determine the independence of directors in accordance with this policy.

The Board's overarching test for independence is whether the director is independent of management and free of any interest, position or relationship that might influence, or could reasonably be perceived to influence, in a material respect the capacity of the director to bring an independent judgement to bear on issues before the Board and to act in the best interests of APA as a whole rather than in the interests of an individual securityholder or other party.

4.2 *Criteria for independence*

It is not possible to explicitly provide for all circumstances that may be relevant to a director's independence. However, a director will normally not be considered independent if he or she:

- is, or has been, employed in an executive capacity by APA or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, APA;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial securityholder in APA;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with APA or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of APA for such a period that their independence from management and substantial securityholders may have been compromised.

The Board may determine that in certain circumstances a director is independent notwithstanding that one or more of the factors above applies, but if the Board does so it will publicly disclose its reasons for making that determination.

Similarly, the Board recognises that in certain circumstances a director may not be independent even though none of the factors above apply. In each case, the Board will assess the director's interests, positions or relationships that could bear upon their independence.

4.3 *Materiality*

Except as expressly stated, the Board has not determined an amount or amounts for the purpose of determining materiality in the context of the criteria listed above. The Board considers there are inherent weaknesses in mechanically applying quantitative criteria for that purpose and so will determine materiality on a case by case basis having regard to the particular circumstances of a director's relationship with APA.

5 **Key requirements**

5.1 *Board and directors*

The Board must review the independence of directors at least annually.

Each director must promptly provide the Board with any new information that may be relevant to the director's independence. The Board must promptly consider that new information in reassessing the director's independence.

5.2 Disclosure

The Board must disclose in each APA annual report or corporate governance statement its determination as to whether each director is independent and the period during which each director has held office.

The notice of meeting for the annual meeting of securityholders must, in respect to any director being nominated for re-election, state whether or not the Board has determined the director to be independent.

6 Roles and responsibilities

Position	Responsibility
Company Secretary	Submit review of directors' independence to the Board annually.
APA Directors	Must disclose to the Board any matters relevant to their independence.
Board	Determine the independence of each director annually and whether any matters affecting a director's independence need to be disclosed to APA's securityholders.

7 Related policies/ procedures/ forms

- Board Charter and Board Committee Charters.
- Board Rotation and Succession Policy.
- Conflict of Interests Policy.

Glossary

Terms and Definitions

Term	Definition
APA	APA Group Limited in its capacity as the responsible entity for the two registered managed investment schemes, APA Infrastructure Trust and APA Investment Trust.
APA Group	<ul style="list-style-type: none"> • the two registered managed investment schemes, APA Infrastructure Trust and APA Investment Trust, the responsible entity for which is APA; and • the respective related bodies corporates of those entities.
Board Committees	<p>all Committees of the Board being, as at the date this policy was approved:</p> <ul style="list-style-type: none"> • Audit and Finance Committee; • Risk Management Committee; • Safety and Sustainability Committee; • People and Remuneration Committee; and • Nomination Committee.