

APA Group Corporate Governance Framework

APA Group has adopted a corporate governance framework which is designed to be as consistent, as far as is practicable, with the best practice procedures of public listed companies in accordance with the relevant obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules (**Listing Rules**).

The framework is intended to meet the developing expectations of APA Group securityholders and other stakeholders and was adopted by the Board of Australian Pipeline Limited, as the responsible entity for Australian Pipeline Trust and APT Investment Trust (together, **APA Group**), effective 1 July 2017.

The new framework will give APA Group securityholders a number of additional entitlements in relation to governance and remuneration matters, which are summarised below.

Additional entitlements of securityholders

Additional entitlement	Scope and application
Advisory vote on Remuneration Report	<p>At each Annual Meeting, APA Group securityholders will have the opportunity for an advisory vote on the adoption of the remuneration report in respect of APA Group directors and senior executives.</p> <p>This will give APA Group securityholders an opportunity to ask questions and express an opinion by voting on the group's remuneration practices on a yearly basis.</p>
Application of 'two strikes' regime	<p>The 'two strikes' regime which applies to remuneration report voting under the Corporations Act will be applied by APA Group as if it were a listed company.</p> <p>In the event that 'two strikes' are recorded against APA Group's remuneration report at two consecutive Annual Meetings, a spill resolution will be put to securityholders which, if passed, will require that the non-executive directors of Australian Pipeline Limited stand for re-election if they wish to continue in office.</p>
Securityholder vote on increases to Non Executive Director fee cap	<p>APA Group securityholders will be asked to approve any proposed increase to the aggregate non-executive director fee cap under the Australian Pipeline Limited constitution.</p>
Power to remove directors from office	<p>APA Group securityholders may remove a director from office by passing an ordinary resolution to that effect.</p> <p>Where a resolution is passed to remove a director, the relevant director will automatically vacate their office under the Australian Pipeline Limited constitution.</p>
Application of termination benefits regime to key management personnel	<p>APA Group recognises the importance of striking an appropriate balance between ensuring fair treatment of key management personnel on cessation of employment and avoiding excessive termination payouts.</p> <p>Accordingly, APA Group intends to apply Part 2D.2 of the Corporations Act in respect of benefits granted to Australian Pipeline Limited employees under any new executive contracts entered into from the date of the adoption of this new framework as if APA Group were a listed public company. This will include seeking APA Group securityholder approval for such benefits where required by the relevant provisions.</p>