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# Executive Clawback and Malus Policy

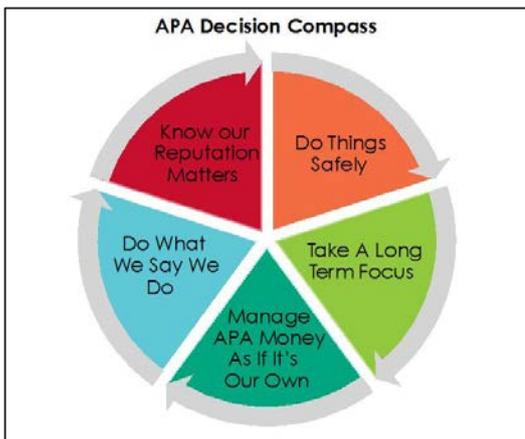
## 1 Purpose

The Executive Clawback and Malus Policy (the Policy) aims to align the remuneration outcomes of the Chief Executive Officer and Managing Director (CEO/MD) and members of the Executive Leadership Team with the interests of the securityholders of APA.

The Policy sets out some of the circumstances in which the Board may seek to reduce or recoup “at risk” remuneration (whether vested or unvested) or take other actions to ensure remuneration outcomes are fair and appropriate, in particular where relevant circumstances arise or come to light after performance-based remuneration has been granted or delivered.

The Policy reflects the Board’s commitment to sustainable long term outcomes as reflected in the Code of Conduct. The Code of Conduct articulates APA’s commitment to ensuring that Executives’ actions and decisions meet the standard and expectations of its customers, securityholders, suppliers, contractors and the community.

## 2 Decision Compass



*The Policy supports the alignment of the long term implications of the decision making of the CEO/MD and the Executive Leadership Team*

*to the interests of the securityholders as part of the APA Decision Compass under the segment “Take a Long Term Focus”, “Manage APA Money as if it’s Our Own” and “Know our Reputation Matters”.*



### 3 Scope

The Policy applies to the CEO/MD and their Direct Reports, collectively known as the Executive Leadership Team (Executives).

This Policy does not impose legally binding obligations on APA. This Policy may be varied or withdrawn at any time in APA's sole discretion.

The triggers and discretions outlined in this Policy are in addition to any other rights that APA may have under law or the terms of any relevant awards. The Board reserves the right to take any other action available to it in the circumstances and to include different or additional triggers and discretions in award documentation that is provided to Executives.

### 4 Definitions

For the purposes of this Policy, the following definitions are applied:

- Malus – a mechanism that allows for the lapse/forfeiture of unvested awards;
- Clawback – a mechanism that allows for the recovery/clawback of vested awards;
- “At risk” remuneration - the portion of an Executive's remuneration that is or was subject to performance or any vesting conditions being met before it is delivered (i.e. variable remuneration). It includes (but is not limited to) short term incentive (STI) awards and long term incentive (LTI) awards;
- Financial Misstatement Circumstance - a material misstatement or omission in the financial statements of a Group entity or any other circumstances or events which, in the opinion of the Board, may, or are likely to, require re-statement of the Group's financial accounts, including, without limitation, as a result of misrepresentations, errors, omissions, or negligence; and
- Group - APA Group, being Australian Pipeline Trust and APT Investment Trust, and each related body corporate of those entities.



## 5 Objectives

The objective of the Policy is to ensure that an Executive does not receive performance based remuneration if the Board considers that such remuneration would be an “inappropriate benefit” relative to the Group’s and/or Executive’s performance and/or behaviours. In such instances, the Board reserves the right to clawback some or all of the Executive’s proposed or paid performance based remuneration.

Clawback and Malus provisions are designed to both align the interests of Executives with the long-term interests of APA and to ensure that excessive risk taking is not rewarded and behaviours align to the Group’s values.

APA’s Risk Management Policy establishes the principles, requirements and key responsibilities for the way Executives manage risk (both financial and non-financial). This Policy recognises the long term consequences of poor risk management and its impact on all of APA’s key stakeholders.

## 6 Triggers

The Board may take action to reduce, recoup or otherwise adjust “at risk” remuneration where:

- The Executive:
  - has acted fraudulently or dishonestly;
  - has engaged in gross misconduct;
  - has acted, or failed to act, in a way that could reasonably be regarded to have brought APA or Group entity into disrepute;
  - has acted, or failed to act, in a way that could reasonably be regarded to have breached his or her duties or obligations to the Group (including acting in breach of the terms and conditions of their employment and / or the Code of Conduct);
  - is convicted of an offence or has a judgement entered against them in connection with the affairs of APA;
- “At risk” remuneration vests or may vest as a result of the fraud, dishonesty, negligence or breach of duties or obligations of any other person or error



or mistake, and, in the opinion of the Board, the securities will not or would not have otherwise vested;

- APA or any Group entity is required or entitled to reclaim remuneration from an Executive or reduce an Executive's remuneration outcome under law, regulation (including a direction from a regulator), contract; or APA policy;
- Vesting of some or all of the Executive's "at risk" remuneration is not justified or supportable, having regard to the personal performance and/or conduct of the Executive;
- The Board has determined acting in good faith, that all or part of the Executive's 'at risk' remuneration is no longer justified having regard to information or circumstances which have come to light after a grant of 'at risk' remuneration was made; and
- A significant unexpected or unintended consequence or outcome has occurred which impacts APA or a Group entity, including where the original expected performance outcomes which the securities were intended to incentivise have not been realised, or where there is a Financial Misstatement Circumstance.

## 7 Action the Board may take

Where a trigger occurs, the Board may (in its absolute discretion) determine that any or all of the following occur:

- The vesting conditions applicable to the assessment of 'at-risk' remuneration may be adjusted;
- Some /or all unvested equity will lapse;
- Securities allocated to the Executive are forfeited;
- Cash amounts paid to the Executive (including distributions) are repayable to APA as a debt; or
- The restrictions on disposing or otherwise dealing with an Executive's restricted securities are extended.

In circumstances where the Board is considering applying an action or the Executive is under investigation by APA, a Group entity or an external third party the Board may determine that:

- The vesting, exercise and/or allocation of an Executive's securities may be delayed or suspended (as appropriate); or
- The restrictions on disposing or otherwise dealing with an Executive's restricted securities are extended.

## 8 Roles and responsibilities

The Board will make appropriate disclosure of this Policy to securityholders in APA's Annual Report. This will include outlining specific objectives regarding the clawback and malus applying to executive remuneration. The Policy will also be placed on the APA website for public display.

Position	Responsibility
The Board	Apply this Policy, and exercise its discretion, in appropriate circumstances.
The People and Remuneration Committee	Make recommendations to the Board in relation to the operation of this Policy. Review and recommend approval of this Policy to the Board.
CEO/MD, Group Executive People Safety and Culture, or Company Secretary	Notify the People and Remuneration Committee of any circumstances which could constitute a trigger under this Policy as soon as practical.

## 9 Related policies/ procedures/ forms

- Code of Conduct
- Fraud Prevention Policy
- Delegation of Authority Policy & Table of Delegated Limits of Authority
- Risk Management Policy
- Group Compliance Policy
- AFSL Policy