



22 August 2018

ASX ANNOUNCEMENT

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7 and 4.10.3, a copy of APA Group's Corporate Governance Statement and the Appendix 4G concerning that statement are attached.

A handwritten signature in black ink, appearing to read 'N Codevelle'.

Nevenka Codevelle
Company Secretary
Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating in excess of \$20 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, apa.com.au

AUSTRALIAN PIPELINE TRUST AND ITS CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT

APA Group (**APA**) comprises two registered investment schemes, Australian Pipeline Trust and APT Investment Trust, the securities in which are “stapled” together.

Australian Pipeline Limited (**Responsible Entity**) is the responsible entity of those trusts and is responsible for APA’s corporate governance practices.

The ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations articulate eight core principles of good corporate governance and, for each of those principles, recommendations as to their implementation. Adoption of the Council’s recommendations is not compulsory. However, under the Listing Rules of ASX Limited (**ASX**) a listed entity is required to provide a statement disclosing the extent to which it has adopted the recommendations in the reporting period and, if it has not adopted any recommendations, to explain why.

Each of the principles of good corporate governance has been responded to in this statement, and explanations for any departures from the recommendations are set out in this statement.

Various references are made below to APA’s website apa.com.au as a source of information on corporate governance practices and documentation. The <https://www.apa.com.au/about-apa/our-organisation/corporate-governance/> leads to the corporate governance material. Securityholders who do not have internet access but wish to read that material should telephone 1800 992 312 (or +61 1800 992 312, if calling from outside Australia) and ask for a copy of the relevant material to be sent to them.

In this statement, the term **Reporting Period** means the period of 12 months to 30 June 2018.

This statement, approved by the Board of Directors of the Responsible Entity (**Board**) on 21 August 2018, reports against the Third Edition of the Corporate Governance Principles and Recommendations. The ASX Corporate Governance Council issued a consultation draft of the Fourth Edition of the Corporate Governance Principles in May 2018. Subject to its finalisation, it is proposed that APA will commence reporting against the Fourth Edition of the Corporate Governance Principles when it reports on the 2019 financial year.

Corporate governance highlights for 2018

The Board 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 APA’s securityholders and help it to meet the expectations of other stakeholders.

Board renewal has been a key priority for APA lead by the Board’s Nomination Committee. After an external search process APA appointed two new Non-Executive Directors, Shirley In’t Veld and Peter Wasow, who both joined the Board with effect from 19 March 2018. As announced on 27 September 2017, Leonard Bleasel AM retired as APA Chairman after ten years in the role at the conclusion of the 2017 Annual Meeting. John Fletcher also retired from the Board on 21 February 2018.

Given the structure of APA, there are certain governance and remuneration related obligations under the Corporations Act 2001 and the ASX Listing Rules that do not apply to APA, but which would ordinarily apply to ASX listed public companies. In line with the Board’s commitment to high standards of corporate governance, on 1 July 2017 APA 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.

The APA Corporate Governance Framework gives securityholders a number of additional entitlements in relation to governance and remuneration matters, including an advisory vote on APA's annual Remuneration Report and the ability to remove Directors from the Board. A summary of the [Corporate Governance Framework](#) and those additional entitlements is available on APA's website.

Principle 1: Lay solid foundations for management and oversight

Board and its Committees

The Board is accountable to securityholders for the proper management of APA's business and affairs. Its role and responsibilities are set out in the [Board Charter](#), which is published on APA's website.

The Board meets formally at least 11 times each year, with additional meetings being held as required. The number of times it met during the Reporting Period and Directors' attendance at those meetings are set out in the Directors' Report for the Reporting Period contained in the Annual Report which is published on APA's website.

To assist the Board in carrying out its responsibilities, the following standing Committees of its members have been established:

- [Audit and Risk Management Committee](#);
- [People and Remuneration Committee](#);
- [Health Safety and Environment Committee](#); and
- [Nomination Committee](#).

Each Committee has its own Charter that describes the roles and responsibilities delegated to the Committee by the Board, and those [Charters](#) are published on APA's website. The Charters for the Board and its Committees are reviewed by the Board annually.

Timetables for Board and Committee meetings are agreed annually in advance.

The Board delegates responsibility to the Managing Director for implementing the strategic direction and objectives and managing the day-to-day operations of APA. The Managing Director consults with the Chairman, in the first instance, on matters that are sensitive, extraordinary or of a strategic nature. The Board has approved specific limits of authority for management with respect to approval of expenditure, contracts and other matters, and regularly reviews those limits.

Background checks

Such checks as the Board considers appropriate in the circumstances are made before appointing a person as a Director. When a candidate's nomination for election is being put forward for approval by securityholders at an Annual Meeting, as described under Principle 2 below, all material information in APA's possession that the Board considers relevant to the candidate's election as a Director will be provided to securityholders in the relevant notice of meeting.

When considering the appointment of a new Director, the Board and Nomination Committee may engage the services of an external executive search firm to identify suitable candidates for consideration and to carry out appropriate reference and background checks. An external search firm was engaged to assist with the appointments of Shirley In't Veld and Peter Wasow and reference and background checks were undertaken.

Non-executive Directors' letter of appointment

The current non-executive Directors have each signed a letter setting out the terms of their appointment. The letter documents, among other matters:

- the roles and responsibilities of the Board and each of its Committees;
- expectations of the time commitment to be made by Directors in serving on the Board and its Committees, and of their participation in an annual review of the Board, its Committees and individual Directors;
- requirements with respect to the disclosure of Directors' interests;
- the confidentiality of all non-public information obtained during the Director's appointment;
- the fees payable to the Directors;
- the Board policy that Directors, by the third anniversary of their appointment, hold APA stapled securities with a value not less than their annual base Board fees, and maintain at least that level of securityholding throughout their tenure; and
- other key policies that Directors are required to comply with, such as APA's Securities Trading Policy.

Performance evaluation of Board, its Committees and Directors

Consideration of the performance of the Board, its Committees and individual Directors is undertaken each year and is monitored on an ongoing basis by the Chairman and the relevant Committee Chair. Consideration is given to, amongst other criteria, general board composition, the skill set of the Board and Directors, diversity and succession planning.

During the Reporting Period a performance review process was undertaken for the Board, its Committees and individual Directors for FY2018. The review involves a questionnaire to be completed by each Director (as developed by an external consultant) with subsequent one-on-one performance review discussions with the Chairman followed by a discussion involving the full Board.

Executives' service contracts and performance evaluations

The Managing Director and each of the executives who report to him have service contracts setting out their responsibilities, conditions of service and termination entitlements.

APA has processes in place to evaluate the performance of senior executives. Each senior executive, including the Managing Director, has personal objectives as well as objectives related to the performance of business or functional units and APA as a whole.

The performance evaluation of the Managing Director is handled by the Chairman and is considered by the Board. Assessment and monitoring of the performance of other senior executives is handled by the Managing Director who reports on those matters to the Chairman and the People and Remuneration Committee. Performance evaluations of the Managing Director and other senior executives are conducted at least annually.

Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on matters to do with the functioning of the Board, including advising the Board and its Committees on governance matters, monitoring that Board policies and procedures are followed, coordinating the timely despatch of Board papers, drafting minutes of meetings and similar matters. The decision to remove or appoint the Company Secretary requires the Board's approval or ratification.

Diversity

APA is committed to its diversity strategy and vision which is "to harness diversity of thought for

improved business performance". By strengthening the focus on inclusivity, and diversity and leveraging the unique talents and experiences of its workforce, APA is a more collaborative and innovative workplace. Diversity supports better decision making and improved results allowing APA to grow and maintain competitive advantage.

APA's [Equal Employment Opportunity and Diversity Policy](#) (which is published on APA's website):

- sets out APA's commitment, standards and processes to ensure employees receive fair and equitable treatment in all aspects of their work;
- confirms that discrimination, bullying, harassment and victimisation are not acceptable and will not be tolerated by APA;
- encourages and supports a diverse and inclusive workplace to contribute to improved business performance and employee satisfaction and engagement; and
- seeks to attract, retain and motivate the best talent for APA utilising employees' views and experiences for the betterment of the company and its workforce.

APA's Gender Diversity Profile

The following tables provide an overview of the percentage of women at APA, as well as the percentage of women in leadership roles, as reported to the Workplace Gender Equality Agency (WGEA) in 2018.

Table 1: Women profile (as reported to WGEA for the period 1 April 2017 - 31 March 2018)

Percentage of non-executive Directors who are women	42%
Percentage of workforce who are women	27%
Percentage of leadership roles filled by women ¹	20%
Percentage of technical and trades roles filled by women	3%

(1) Leadership roles are defined in accordance with the WGEA occupational categories and comprise all levels of management (i.e. key management personnel, general managers, senior managers and other manager roles excluding team leader and supervisory roles.)

Table 2: Breakdown of women in leadership roles (as reported to WGEA for the period 1 April 2017- 31 March 2018)

CEO	0%
Key management personnel (KMP) ²	29%
Other executives/general managers	24%
Senior managers	14%
Other managers	22%

(2) Key management personnel in APA are executives reporting directly to the CEO

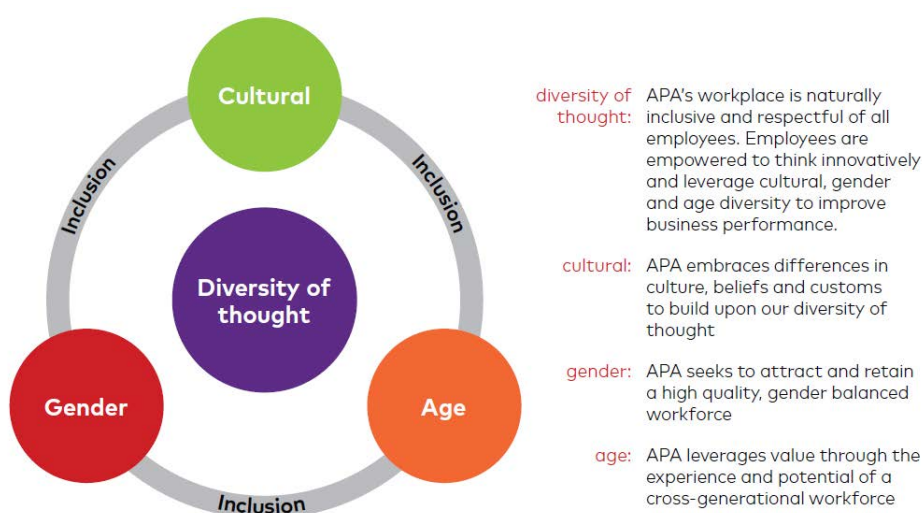
Gender Targets

APA is aiming to specifically increase the female participation in its workforce and has set targets to be achieved by 2022. In particular, the Board has adopted the following measurable objectives for achieving gender diversity:

Area	Female % Target by 2022	FY18 status against Target	FY17 status against Target
Total Workforce	30%	27%	27%
Senior Leaders ¹	25%	17%	17%
Talent Pipeline ²	>30%	30%	22%

Diversity & Inclusion Strategy

APA's 2017-2020 Diversity & Inclusion Strategy focuses on achieving diversity of thought, by strengthening the cultural, gender and age diversity of APA's workforce.



To achieve this goal, APA established four working groups aligned to the diversity and inclusion priority areas of Flexibility, Inclusion, Cross-Generational and Employer of Choice, with the objective of creating a workplace where APA is known as:

- Inclusive – where differences are recognised and language and behaviour demonstrate organisational commitment to diversity and inclusion;
- An Employer of Choice – attracting and retaining diverse talent and increased female representation in senior leadership and engineering/operational roles;
- Flexible – flexible work practices providing greater role accessibility and supporting individuals to balance personal and work requirements; and
- Cross-generational – a strong talent pipeline, supported by an engaged and skilled workforce, mentoring and succession planning, leverage and transfer of critical skills and knowledge.

Each working group is led by a member of APA's Executive Committee as the sponsor and comprises representatives from across the business who meet at least monthly to design & deliver initiatives aligned to APA's Diversity & Inclusion Strategy.

¹ Senior Leaders comprises "Other executives/general managers" and "Senior managers" as reported to WGEA above.

² Talent Pipeline refers to the pipeline of candidates in our talent pools

In addition, APA has established a diversity and inclusion champion network, comprising of employees across the business who meet approximately once a month to keep informed on APA's diversity and inclusion progress, as well as to contribute to the discussion and help co-ordinate future initiatives and priorities.

Inclusive

During the Reporting Period, the "Inclusivity" working group co-ordinated a series of diversity and inclusion site events to recognise and celebrate inclusivity, including Harmony Day and International Women's Day. These events were promoted by organisational wide communication campaigns to increase awareness and generate discussion on APA's efforts towards creating an inclusive work environment.

Focus areas for the next Reporting Period include:

- Recognising and celebrating the National Aboriginal and Islanders Day of Celebration with our partners The Fred Hollows Foundation and Clontarf Academy
- Launching an Inclusive Leadership Program for all people leaders, alongside Unconscious Bias training for employees, commencing in 2019.

An Employer of Choice (Employee Value Proposition)

During the Reporting Period, the "Employer of Choice" working group completed a gender target action plan, which comprised a plan for the next four years for APA to be able to achieve its gender targets. This has included plans on:

- Attraction of females to APA
 - improving advertising and promotion of APA
 - partnering with external organisations to highlight the benefits of females joining APA
- Recruitment /Selection
 - Improved internal recruitment capability
 - Revised recruitment policy
 - Specialist training for recruiters on unconscious bias, understanding the work women can do and the myths about women in non-traditional roles.
- Development
 - Revised Talent Review process to provide greater focus on potential, targets and reduce bias
 - Participation of senior leaders in development activities including mentoring and sponsorship
 - Established coaching opportunities for Talent
 - Commence quarterly networking opportunities for all women at APA with development opportunities.
- Retention
 - Senior Sponsorship & role modelling
 - Participate in external forums and conferences.
- Performance and Metrics
 - Key Performance Indicators(KPIs) set for the Executive Committee and level 3 leaders for FY19 performance year
 - Regular reporting and metrics provided to the Executive Committee on progress of action plans and targets
 - KPIs set for external recruitment agencies on shortlisting gender targets

This working group has also undertaken work on understanding how recruitment companies “sell” the benefits of APA to external candidates and conducted an internal survey to help develop APA’s Employee Value Proposition.

Flexibility

During the Reporting Period the “Flexibility” working group analysed how many people are on flexible working agreements and also liaised with external organisations on what flexibility they are offering to their employees. It is currently redefining flexibility for APA and educating leaders through a new program on how to manage flexibly to increase its usage.

In addition to the Federal Government’s paid parental leave scheme, APA provides primary carers with 14 weeks of parental leave at full pay, or 28 weeks at half pay. In the Reporting Period, APA achieved a return-to-work rate of 94% for those on parental leave and continues to pro-actively work with and support new working parents with flexible work options. APA provides a supportive working environment for breastfeeding mothers and is accredited by the Australian Breastfeeding Association as a Breastfeeding Friendly Workplace.

Cross-Generational

During the Reporting Period the “Cross-Generational” working group analysed the demographic composition of the workforce at APA. It identified a number of key areas of focus including, the development of new capabilities and bringing different generations into specific skill areas. During the Reporting Period, the focus has been on developing an apprenticeship program and revising and developing a larger graduate program. An APA wide mentoring program and a phased retirement program has also been established.

Succession, talent and culture

APA’s leaders continue to participate in talent management sessions to identify and build a strong pipeline of critical capability to meet the organisation’s current and future requirements and ensure long term continuation of core business activities.

During the Reporting Period all senior leaders have participated in the talent review process to identify high potential and emerging talent as well as potential successors for key roles. Employees identified through this process receive development via a talent program ranging from structured assessments and feedback, on-the-job training, secondments, coaching and tailored development.

APA continues to focus on building its internal development tools. It will be launching an APA mentoring program in August to proactively develop talent and potential successors for key roles.

Employee Survey and Awards

During the Reporting period, APA conducted its two yearly employee survey, *Your Voice*, aimed at gaining a better understanding of the organisation’s culture, identifying strengths and opportunities. 78% of APA’s employees participated in the survey with the top results being the following:

- Safety approach (90% favourable)
- Diversity & Inclusion (77% favourable)
- Employee Engagement (71% favourable)
- Business Alignment & Collaboration (both 69% favourable)

The key areas identified for improvement across the company were Agility, Personal Growth &

Development and Process Efficiency. Corporate and divisional action plans are in place and being regularly monitored to look to address areas of concern.

As part of continuing to strengthen the implementation and articulation of APA's values, the APA Excellence Awards for 2017-18 were redesigned and structured around the STARS values. There were six awards – five individual awards, one for each value, namely Safety, Trustworthy, Adaptable, Results and Service, and the sixth was a team award. There were an unprecedented 135 nominations for this year's Awards with winners announced across Australia the week commencing 30 April 2018, through a series of presentations recognising all nominees as well as winners.

Principle 2: Structure the Board to add value

Board membership

The Board determines its size and composition, subject to limits imposed by the Responsible Entity's constitution. The constitution provides for a minimum of three Directors and a maximum of 12.

The names of the current Directors and their experience, length of service as a Director and membership of Board Committees are set out in the Directors' Report for the Reporting Period contained in the Annual Report.

The composition of the Board is determined in accordance with the Board Charter, which includes the following requirements:

- a majority of the Board will be comprised of independent Directors;
- the Chairman will be an independent Director; and
- a person cannot hold the positions of both Chairman and Chief Executive Officer.

The current Board complies with each of those requirements.

The Responsible Entity's constitution requires one-third of its Directors (excluding the Managing Director and any Director who is standing for re-election after having been appointed as an additional Director or to fill a vacancy) to retire from office at the annual general meeting of the Responsible Entity each year. If the calculation of that one-third is not a whole number, the number of Directors required to retire by this "rotation" process is rounded to the nearest whole number. Retiring Directors are eligible for re-election.

The Responsible Entity's constitution also provides that if the Board appoints a Director to fill a vacancy or as an addition to the Board, the new Director will hold office until the end of the next annual general meeting of the Responsible Entity and is eligible for re-election.

Further, pursuant to APA's Corporate Governance Framework, securityholders may remove a Director from the Board by passing an ordinary resolution to that effect. Where a resolution is passed to remove a Director, they will automatically vacate their office under the Responsible Entity's constitution.

Securityholders' right to nominate a Director and to vote on nominees

The [Deed Poll](#) initially executed by the Responsible Entity in 2004 and amended with APA securityholders' approval in 2011 (a copy of which is available on APA's website) affords APA securityholders certain rights in respect to nominees for the position of Director on the Board.

At least 75 days before the annual general meeting of the Responsible Entity, securityholders are notified by an announcement to ASX that they may nominate a person to fill a vacancy on the Board that arises on retirement of either a Director under the "rotation" process or a Director appointed by the Board since the last annual general meeting.

If securityholders wish to exercise that right, at least 60 days before the annual general meeting they must send the Responsible Entity a signed nomination form and the nominee's signed

consent to act as a Director.

In the notice of meeting for an Annual Meeting, the Responsible Entity advises securityholders of all candidates who have been validly nominated for the position of Director, including the Responsible Entity's nominations and nominations made by securityholders in accordance with the process described above, and securityholders are afforded the opportunity to vote on the nominations at the Annual Meeting.

Independence of Directors

The Board assesses the independence of non-executive Directors on appointment and annually having regard to the [Independence of Directors Policy](#) (published on APA's website).

The Board considers the Chairman and all other current Directors, other than the Managing Director (due to his executive role), to be independent at the date of this statement. Consequently, a majority of the current Directors are considered independent.

The Independence of Directors Policy recognises that a Director's length of service may be a relevant factor in determining their independence. In its most recent review of independence, the Board considered the length of service of each Director and was satisfied that each of those Directors continues to demonstrate independent judgement and character in performing their role on the Board and as members of the Committees.

Board skills and experience

The Board considers that a diverse range of skills, experience and backgrounds is required on the Board to effectively govern the business. It determines and reviews from time to time the mix of skills and experience that it looks to achieve in its membership paying attention to the expertise and diversity of existing directors and considering candidates who will balance and complement those qualities and address any potential skills gaps required given the strategic direction of APA.

The Board is of the view that the current Directors possess an appropriate mix of skills, experience and expertise for the Board to effectively discharge its responsibilities and add value to APA by managing risks and taking advantage of opportunities.

The table below describes the combined skills, experience and expertise presently represented on the Board.

Desired Skills, experience, expertise	Number of Directors
Energy infrastructure (engineering, asset operation & management)	5
Energy markets (including upstream production, gas marketing and trading)	6
Executive leadership	8
International experience	5
Governance	7
Financial acumen	6
Strategy development & implementation	8
Public & regulatory policy	4
Global capital markets	4
Legal	2
Risk management	6

Health, safety and environment	6
Remuneration	6
Capital projects	6

The Directors consider that the level of skills on the Board is strong in respect of all of the above categories where four or more Directors are represented. In respect of the Legal category, the Board considers that it is sufficient for two Directors to have a formal legal background.

An overview of the qualifications, skills, experience and brief career histories of each Director is included in the 2018 Annual Report.

Selection and appointment of Directors

The functions with respect to selection and appointment of new Directors, [Board succession](#) and related matters are undertaken by the [Nomination Committee](#) with the recommendations of the Committee provided to the Board.

When looking to appoint a new Director, the Nomination Committee and Board predefines the skills and experience required of candidates for the role to ensure that an appropriate balance of the skills and experience referred to in the skills matrix above, independence and diversity will be represented on the Board and, based on that analysis, will seek a list of potential candidates believed to satisfy those requirements.

Where the Board considers it appropriate, it may instruct a search firm to identify additional suitable candidates.

An interview of the short-listed candidates is undertaken, assessing them against the predefined requirements. Consideration is also had to their qualifications, backgrounds and personal qualities. Appropriate background checks are undertaken prior to any person's appointment as a Director.

In the interest of gender diversity, the Board has determined that the short-listed candidates for an available Board position must include at least one female candidate and, where a search firm is engaged, the Board will instruct them accordingly.

Nomination Committee

The composition of the Nomination Committee which is determined in accordance with the [Nomination Committee Charter](#) (published on APA's website), includes the following requirements:

- the Committee is comprised of non-executive directors, with at least three members;
- a majority of the Committee will be independent non-executive Directors; and
- the Committee Chairman is also the Chairman of the Board.

The Nomination Committee complies with each of those requirements.

The Committee has adopted a formal charter that is required to be reviewed annually. A copy of the [Nomination Committee Charter](#) is published on APA's website.

The Committee is responsible for:

- assessing the size, diversity and composition of the Board, including the skills and experience required by the Board and the extent to which the required skills are represented on the Board from time-to-time;
- the identification of individuals qualified to become Board members as additional members or to succeed existing members;
- establishing processes and methodology for reviewing the performance of the Board, its Committees, the Chairman and individual non-executive directors;

- making recommendations to the Board regarding Director appointments and the structure of the Board and/or Committees.

The Committee is required by its Charter to meet at least two times each year. This requirement was satisfied during the Reporting Period. The number of times it met during the Reporting Period and the Committee members' attendance at those meetings is set out in the Directors' Report for the Reporting Period

Directors' development, access to information and advice, and induction

The Board receives regular detailed reports on financial, commercial and operational aspects of APA's business and may request elaboration or explanation of those reports. There is an ongoing strategy review during which Directors are updated on industry developments, regulatory changes and other background information relevant to the Board's review of strategy. Ad hoc briefings are also provided to the Board on relevant industry, legislative and regulatory changes.

APA's external auditor updates the members of the Audit and Risk Management Committee and other members of the Board who attend the Committee's meetings on developments in accounting standards and the key areas of focus for the regulator, the Australian Securities and Investments Commission, in financial reporting.

During the Reporting Period, Directors had the opportunity to learn from and meet with a diverse group of APA managers. Directors attended site visits in Dandenong, Victoria, Diamantina Power Station, and Spring Hill, Wallumbilla and Darling Downs Solar Farm, Queensland and received management presentations on APA's key assets at those sites.

Directors are otherwise encouraged to maintain the skills and knowledge they need to perform their roles by attending relevant courses, seminars and conferences. Where appropriate, APA will meet expenses involved in such activities.

The Board collectively, and each Director individually, may seek independent professional advice at APA's expense. Prior approval of the Chairman is required, but this may not be unreasonably withheld.

An induction program is provided to newly appointed Directors.

Principle 3: Promote ethical and responsible decision-making

Code of conduct and policies

The Board and senior management are firmly committed to ensuring that they and all employees observe high standards of ethical behaviour and conduct.

APA's [Code of Conduct \(Our Code\)](#) defines the key standards of personal conduct, professional behaviour and ethics that APA expects of Directors, senior executives, employees and others stakeholders who represent APA.

During the Reporting Period APA has implemented the "APA Way" which sets out the blueprint for the way it does business. At the heart are APA's values ("STARS") which guide behaviours and support the "Decision Compass" principles which guide consistent decision making aligned to support the execution of APA's corporate strategy. Our Code defines what each Decision Compass principle looks like in action and sets the key standards for behaviours.

Our Code is for everyone working for, and with, APA, and includes employees, Directors, contractors and consultants and also applies to suppliers and business partners. It recognises APA's responsibilities to securityholders, customers, employees, regulators and the community.

Much of Our Code is reflected in specific APA policies and is underpinned by relevant legislation and regulatory requirements in operation in Australia.

Our Code requires that any breaches are reported and investigated including a mechanism to enable investigation without fear of retaliation or victimisation. This includes an independent

whistleblowing service as discussed below. Our Code is published on APA's website.

APA's core values ("STARS") are as follows:

- Safe - To maintain a safe environment and a professional workplace where staff work collaboratively, are valued and treated with respect.
- Trustworthy - To act with honesty and integrity and accept individual and collective responsibility for the delivery of all business outcomes. We do what we say we are going to do.
- Adaptable - To continually respond and adapt to our changing environment by innovating, modifying our behaviour and continually improving our processes and systems to take advantage of opportunities to enhance, improve and grow our business.
- Results - To consistently meet our commitments and deliver excellent results to the benefit of our employees, customers, investors and the community through tenacity and perseverance.
- Service - To be committed to high quality service achieved through listening, understanding, anticipating and responding to our customers' needs.

APA's performance review process requires assessment of the extent to which personnel have demonstrated behaviour consistent with APA's core values.

The principle behind the Decision Compass is that APA personnel are provided with sufficient guidance to enable them to make decisions consistent with APA's risk appetite and core values. The Decision Compass states that, when we make decisions we:

- Do things safely
- Take a long term focus
- Manage APA's money as if it's our own
- Do what we say we do
- Know our reputation matters

APA has a number of policies intended to foster a culture of ethical and responsible decision-making. Two such policies, the Whistleblower Policy and the Securities Trading Policy, are described briefly below.

APA's Whistleblower Policy, promotes and supports the reporting of matters of concern and suspected wrongdoing, such as dishonest or fraudulent conduct, breaches of legislation and other conduct that may cause financial loss to APA or be otherwise detrimental to its reputation or interests. The Policy sets out the approach to disclosure, investigation and reporting and outlines the protection to be afforded to those who report such conduct against reprisals, discrimination, harassment or other disadvantage resulting from their reports. APA uses an external independent whistleblower reporting service that enables those who wish to report conduct (either anonymously or otherwise) to do so. The external service provider collects and assesses the information and reports to APA to facilitate resolution.

APA's [Securities Trading Policy](#), published on the website, provides that, subject to limited exceptions, Directors and designated management personnel must not buy or sell APA securities during either of the following "closed periods":

- the period starting 1 January and ending on the business day after the release of APA's half yearly results to the ASX, or
- the period starting 1 July and ending on the business day after the release of APA's annual results to the ASX,

unless exceptional circumstances apply, and they may only buy or sell APA securities outside those closed periods if they obtain clearance to do so in accordance with the process described in the policy. Directors and employees are precluded from buying or selling securities at any time if they are aware of any price-sensitive information which has not been

made public.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, the composition of which is determined in accordance with the [Committee Charter](#) (published on APA's website), which includes the following requirements:

- the Committee will have at least three members;
- all members of the Committee will be independent, non-executive Directors; and
- the Committee Chairman cannot also be the Chairman of the Board.

The Audit and Risk Management Committee complies with each of those requirements.

The Directors' Report for the Reporting Period identifies the current members of the Committee and their qualifications and experience.

The roles and responsibilities delegated to the Committee are set out in the Committee Charter.

The Managing Director, Chief Financial Officer, Company Secretary and General Counsel, Head of Group Risk and Compliance, other senior management personnel, as required, and the external and internal auditors attend Committee meetings at the discretion of the Committee. The external and internal auditors receive all Committee papers and regularly meet with the Committee, without management present, at Committee meetings.

The minutes of each meeting of the Audit and Risk Management Committee are reviewed at the subsequent meeting of the Board and the Committee Chairman reports to the Board on the Committee's activities and recommendations.

The Committee is required by its Charter to meet at least four times each year. This requirement was satisfied during the Reporting Period. The number of times it met during the Reporting Period and the Committee members' attendance at those meetings are set out in the Directors' Report for the Reporting Period.

Assurance from Chief Executive Officer and Chief Financial Officer

Before the Board approves the Financial Report for a reporting period, it receives a written declaration from the Chief Executive Officer and the Chief Financial Officer that:

- in their opinion, the financial records of APA have been properly maintained in accordance with the Corporations Act and the Financial Report complies with relevant accounting standards and gives a true and fair view of APA's financial position and its financial performance; and
- this opinion has been founded on the basis of a sound system of risk management and internal control that is operating effectively.

The Board obtained such declarations for the full and half-year financial periods in respect of the Reporting Period.

External auditor and their independence

Apart from reviewing the integrity of APA's financial reporting, the Committee receives reports from the external auditor, monitors their effectiveness and independence and makes recommendations to the Board on the appointment or replacement (subject to securityholders' approval, if applicable) of the external auditor.

The [External Auditor Appointment and Independence Policy](#) (published on APA's website) documents the process for appointment of the auditor and for monitoring the auditor's independence. Pursuant to that policy, the lead partner and the review or concurring partner

of the external auditor must be rotated at least every five years, followed by a two year minimum time-out period during which they may not take part in the audit. Andrew Griffiths of Deloitte Touche Tohmatsu was the lead audit partner for the Reporting Period.

The external auditor's independence could be impaired or compromised, or be interpreted as being impaired or compromised, through the provision of some non-audit services or by the quantum of fees paid to the auditor for such services. Accordingly, the Audit and Risk Management Committee has approved a list of non-audit services that the external auditor may perform and the process for those services being approved identified a list of prohibited services and determined a maximum dollar limit on non-audit services provided by the auditor in any financial year. The Directors' Report for the Reporting Period contains a section on non-audit services provided by the auditor that includes an explanation of the basis on which the Board remains satisfied as to the auditor's independence.

As referred to under Principle 6 below, the external auditor attends the Annual Meeting and is available at the meeting to answer questions from securityholders about the conduct of the audit and the preparation and content of the independent Audit Report.

Reimbursement of Responsible Entity's costs

The Responsible Entity's costs incurred in acting as responsible entity of Australian Pipeline Trust and APT Investment Trust are reimbursed by APA. The actual cost recovery in the Reporting Period was \$4,717,014 (2017: \$3,967,352). The Responsible Entity does not make a profit, nor seek performance fees.

The constitutions of Australian Pipeline Trust and APT Investment Trust enable the Responsible Entity to charge fees up to 0.5% per annum of the value of gross assets; however, the right to charge such fees has been waived to the extent it exceeds the Responsible Entity's costs.

Principle 5: Make timely and balanced disclosure

APA's [Market Disclosure Policy](#), published on APA's website, aims to ensure that information that a person could reasonably expect to have a material effect on the APA security price, whether the information is positive or negative, is announced to the market by release to ASX in accordance with the ASX Listing Rules and the Corporations Act.

The Disclosure Committee comprises the Managing Director, Company Secretary and General Counsel, Chief Financial Officer and Chief Executive, Strategy and Development.

The Company Secretary and General Counsel is the nominated continuous disclosure officer.

All ASX announcements are posted on APA's website as soon as reasonably possible after notification to ASX. Copies of all ASX announcements are also sent to Directors.

Principle 6: Respect the rights of securityholders

APA respects the rights of its securityholders and has adopted practices to facilitate the exercise of those rights by effective communications with securityholders about APA and its business, and by providing the opportunity for securityholders to participate in Annual Meetings and other general meetings of securityholders that may be convened from time to time.

Communications with securityholders

APA is committed to providing a high standard of communication with its securityholders so that they have all available information reasonably required to make informed assessments of APA's business and prospects.

Information is communicated to securityholders by a number of means, including the following:

- an Annual Report, comprising the Financial Report, Directors' Report, Remuneration Report, Audit Report and Sustainability Report, is sent to securityholders who have elected to receive the Annual Report and is available online as a PDF;

- the interim (half year) report and Directors' commentary on that report, available online;
- announcements via ASX and media releases, available online;
- investor presentations, including presentations made in investor roadshows in Australia and offshore, copies of which are released to ASX, available online;
- Annual Meetings;
- webcasting of half year and annual results presentations, the Annual Meeting and announcements of major events, available for up to one year post the event;
- the [Investors section](#) of APA's website provides historical information about APA's distributions and security price, tax information, a key financial events calendar, contact details for APA's registry and links to key securityholder forms as well as the reports, presentations and other documents referred to above; and
- access to Investor Relations personnel via email and phone.

APA's website also contains information of interest to securityholders and potential investors about APA's Board and senior executives, its assets, history and investments and the economic regulation to which some of those assets are subject.

The Corporate Governance section of APA's website includes copies of the constitutions of the Responsible Entity, Australian Pipeline Trust and APT Investment Trust, the Corporate Governance Framework summary, this statement and some key corporate governance policies and other materials referred to in this statement.

Securityholders may elect to receive APA's securityholder communications (including the Annual Report, distribution statements and tax guides) electronically. Securityholders and others may also elect on APA's website to receive links to new ASX releases and newsletters by email, and may also ask questions through an email link provided on the website.

Annual Meetings

APA, comprising the two stapled trusts, Australian Pipeline Trust and APT Investment Trust, is not required by the Corporations Act to convene an annual general meeting. However, it elects to convene an Annual Meeting to report to securityholders on the prior financial year's operations and performance and to give securityholders the opportunity to ask questions on those matters and to vote on the adoption of the Remuneration Report and, as explained under Principle 2 above, nominations for Board positions.

APA encourages securityholders to participate in its Annual Meeting. A Notice of Meeting setting out the agenda for the Annual Meeting and explaining resolutions on which securityholders may vote is sent to all securityholders and to ASX prior to the meeting. Along with the Notice of Meeting, APA's securityholders are also sent a form to complete if they have questions for the Chairman or APA's external auditor. Securityholders who cannot attend an Annual Meeting in person may appoint a proxy. They may also read the Chairman and Managing Directors' addresses that are sent to ASX and posted on APA's website, and listen to a webcast of the meeting available through the website (for up to a year post the event).

At the Annual Meeting, the Chairman encourages questions and comments from securityholders and seeks to ensure the meeting is managed to give securityholders an opportunity to participate. Questions on operational matters may be answered by the Managing Director or another appropriate member of senior management. Securityholders are also invited to send written questions ahead of the meeting and, where there is a common theme to a number of questions, either the Chairman or the Managing Director will seek to provide an answer in their address.

The external auditor attends Annual Meetings and is available to respond to questions from securityholders about the conduct of the audit and the preparation and content of the independent Audit Report.

The 2018 Annual Meeting will be held in Sydney on 25 October 2018. A notice of that meeting

and a proxy form will be sent to securityholders some weeks before the meeting, and details of the meeting are also available from APA's website.

Principle 7: Recognise and manage risk

The management of risk is an essential part of APA's approach to creating long-term security holder value.

Board's oversight of risk management

The Board is responsible for effective risk management across APA. This includes approval of APA's risk appetite which prescribes the level of risk APA is prepared to take to meet its objectives.

The Board has delegated certain responsibilities for risk management to its Audit and Risk Management Committee described under Principle 4 above. The responsibilities of the Audit and Risk Management Committee in respect of risk include oversight of risk policies and procedures for risk management and internal controls. This includes reviewing and monitoring APA's Risk Appetite Statement, Risk Management Policy and Enterprise Risk Management Framework. Further detail about the role of the Audit and Risk Management Committee is set out in the [Audit and Risk Management Committee Charter](#) published on APA's website.

The Audit and Risk Management Committee, in performing its role on risk management during the Reporting Period, received reports from APA's Head of Group Risk and Compliance at each Committee meeting which included an assessment of APA's material risks.

The risk management "blueprint" program, which was established in FY2017 and is designed to advance risk management to its next level of maturity, progressed during the Reporting Period with improvements identified across both the risk and compliance capability areas. The Audit & Risk Management Committee, continues to have oversight of implementation of the program.

APA examines all business activities, operations and projects to identify major risk exposures and has adopted ISO 31000, the international standard for risk management.

APA has four main types of risk:

- strategic risk: risks arising from the industry in which APA operates, including its markets, customers, brand and economic regulatory policy;
- financial risk: risks arising from the management of APA's financial resources, accounting, tax and financial disclosure;
- operational risk: risks arising from inadequate or failed internal processes, people or systems or from external events including construction and corporate projects, technology, environment and health and safety; and
- compliance risk: legal or regulatory risks arising in respect of laws, regulations, licences and recognised practising codes required for APA and its officers and employees.

The Board also delegates to the Health, Safety and Environment Committee responsibilities on the oversight of APA's management of health, safety and environmental risks affecting its business. Further detail on the role of the [Health, Safety and Environment Committee](#) is set out in the Charter published on APA's website.

Internal audit

APA has developed a framework for Internal Audit within the group.

Internal Audit provides an independent, objective perspective to the Audit and Risk Management Committee on the internal controls implemented to address APA's material risks. It also assists senior management by providing independent assessments of the adequacy and effectiveness of risk management and internal control systems.

Internal Audit, which is outsourced to PricewaterhouseCoopers, reports directly to the Audit and Risk Management Committee to bring the requisite degree of independence and objectivity to the role. Before each financial year, Internal Audit, in consultation with management and the risk function, prepares a risk based internal audit plan for the next three years and submits the plan to the Audit and Risk Management Committee for review and approval. At each of its meetings, the Committee receives a report from Internal Audit on activities undertaken in accordance with the approved plan.

Sustainability risks

The Sustainability Report, available on APA's website at <https://www.apa.com.au/about-apa/sustainability/>, describes APA's exposure to economic, environmental and social sustainability risks and how APA manages those risks. These are managed in accordance with APA's Enterprise Risk Management Framework.

Principle 8: Remunerate fairly and responsibly

People and Remuneration Committee

The Board has established a People and Remuneration Committee to consider and make recommendations to the Board on, among other things, remuneration policies applicable to Board members and senior management.

The composition of the [People and Remuneration Committee](#) is determined in accordance with the Committee Charter (published on APA's website), which includes the following requirements:

- the Committee will have at least three members;
- all members of the Committee will be non-executive Directors and a majority of them will be independent Directors; and
- the Committee Chairman will be an independent Director.

The current People and Remuneration Committee complies with each of those requirements.

The Directors' Report for the Reporting Period identifies the current members of the Committee and their qualifications and experience. The Chairman of the Board, although not a member of the Committee, usually attends Committee meetings.

The roles and responsibilities delegated to the People and Remuneration Committee are set out in the Committee Charter.

The Managing Director attends meetings of the Committee by invitation when required to report on and discuss senior management performance, succession and remuneration matters.

The Committee Chairman reports to the Board on the Committee's activities and recommendations.

The Committee is required by its Charter to meet at least three times each year. This requirement was satisfied during the Reporting Period. The number of times it met during the Reporting Period and the Committee members' attendance at those meetings are set out in the Directors' Report for the Reporting Period.

External advice

The Committee may seek external professional advice on any matter within its terms of reference. As stated in APA's Remuneration Report referred to below, independent remuneration consultants were engaged by the Chairman of the Remuneration Committee to provide comparative market data with respect to non-executive Director remuneration during the Reporting Period. External consultants were also engaged in respect of executive remuneration.

Remuneration Report

The Remuneration Report explains APA's policies and practices with respect to the remuneration of non-executive Directors, the Managing Director and other senior executives that recognise the different roles and responsibilities of non-executive Directors and executive management. The report also sets out details of the components of remuneration and total remuneration paid to the Board and senior executives over the Reporting Period.

The Corporations Act does not require registered investment schemes like Australian Pipeline Trust and APT Investment Trust to include a Remuneration Report as part of the annual Directors' Report, but APA has chosen to do so for the Reporting Period and prior periods.

Further, under APA's Corporate Governance Framework, securityholders have the opportunity for an advisory vote on the adoption of the Remuneration Report. The 'two strikes' regime which applies to remuneration report voting under the Corporations Act is also applied as if APA were a listed company.

In the event that 'two strikes' are recorded against APA'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 the Responsible Entity stand for re-election at a special 'Board spill meeting' of APA if they wish to continue in office.

Unvested benefits under APA's long term incentive plan

The Remuneration Report describes APA's long term incentive plan under which the benefits to executives who participate in the plan are related to the price of APA securities and vest over three years. An aim of the plan is to align the interests of the plan's participants with the interests of securityholders. APA recognises that the use of arrangements such as hedging or derivative financial products that operate to limit for participants the economic risk of their unvested benefits are likely to reduce the intended alignment of those interests. Consequently, it is APA policy that participants in the long term incentive plan must not use, nor allow to be used, any such arrangements in relation to their unvested benefits.

Minimum security holding Policy

The interests of Directors, Executives and Senior Management are further aligned through the operation of APA's Minimum Securityholding Policy. Under the policy (which is summarised in the Remuneration Report), Directors, Executives and Senior Managers that participate in APA's Long Term Incentive scheme, are required to hold APA securities equivalent to a prescribed percentage of their total fixed remuneration.

"Clawback" of performance-based remuneration

The Remuneration Report summarises APA's Executive Remuneration Clawback Policy pursuant to which the Board, in certain circumstances involving a misstatement in the Financial Report for any of the preceding three financial years due to a material non-compliance with a financial reporting requirement or certain misconduct of an executive, may require the executive to repay all or part of their short term or long term incentives, withhold payment of the executive's unpaid incentive entitlements and/or forfeit the executive's unvested entitlements. The Executive Remuneration Clawback Policy is available on APA's website.

Approved by the Board of Australian Pipeline Limited on 21 August 2018

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

APA Group

ABN / ARBN

Australian Pipeline Limited ABN 99 091 344 704 as responsible entity of Australian Pipeline Trust ARSN 091 678 778 and Australian Pipeline Investment Trust ARSN 115 585 441.

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: <https://www.apa.com.au/about-apa/our-organisation/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 21 August 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 21 August 2018



Nevenka Codevelle, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018 ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at https://www.apa.com.au/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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<p>7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the sustainability report at https://www.apa.com.au/about-apa/sustainability/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors' Report for the year ended 30 June 2018</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>