



21 August 2019

ASX ANNOUNCEMENT

APA Group (ASX: APA)

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 \$21 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

APA GROUP

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 2019.

This statement, approved by the Board of Directors of the Responsible Entity (**Board**) on 21 August 2019, reports against the Fourth Edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. The ASX Corporate Governance Council issued the fourth edition in February 2019. The fourth edition comes into force for APA’s first full financial year commencing 1 July 2020, however, APA has chosen to adopt governance practices from the fourth edition earlier than this.

Corporate governance highlights for 2019

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 continued to be a key priority for APA lead by the Board’s Nomination Committee. After an external search process APA appointed a new Non-Executive Director James Fazzino, who joined the Board with effect from 21 February 2019 after the retirement of Russell Higgins AO on 20 February 2019. Patricia McKenzie also retired as a Director of the Board with effect from 8 March 2019. Long serving Managing Director and CEO Mick McCormack announced his retirement on 13 December 2018 and after an extensive selection process, Rob Wheals was announced as the new CEO and Managing Director on 13 May 2019, with the appointment effective 6 July 2019.

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 on a regular basis, in accordance with a schedule agreed annually, and whenever necessary to deal with urgent matters which might arise between scheduled meetings. 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. All of the Charters were updated by the Board in July 2019, with changes made to, among other things, align the responsibilities of the Board and its Committees with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

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

The Board delegates responsibility to the Managing Director and CEO for developing the strategic intent of APA for approval by the Board, implementing that strategic intent and managing the day-to-day operations of APA. The Managing Director and CEO consults with the Chairman, in the first instance, on matters which are of a sensitive, extraordinary or of a strategic nature. The Board will regularly monitor the performance of the Managing Director and CEO and the Executive and where required, provide feedback to and challenge the Managing Director and CEO and the Executive. The Board has approved specific limits of authority for management with respect to approval of major capital expenditure, contracts and other matters, and regularly reviews those limits.

The Board's responsibilities include approving the risk appetite statement within which the Board expects management to operate and approving the core values and purpose of APA and articulations of APA's desired corporate culture (including the APA Code of Conduct).

In addition, as reflected in the Board Charter updated in July 2019, the Board responsibilities include:

- reviewing and considering the potential impacts of risks relating to climate change on APA's strategy and business;
- receiving information regarding material breaches of the APA Code of Conduct;
- overseeing APA's policies and reporting in respect of modern slavery and human rights related matters, and approved related disclosures;
- setting performance targets for the Managing Director and CEO and management, considering performance against those targets and determining remuneration outcomes, including having regard to risk outcomes and corporate culture; and
- confirming (with the assistance of the People and Remuneration Committee) that APA's remuneration policies are aligned with the core values, purpose, strategic direction and risk appetite of APA.

The Charters of the standing Committees were also revised in July 2019 to clarify the process for reporting information and referring matters to the Board, or to other standing Committees of the Board (if the relevant matter is within that Committee's responsibilities). This would include, for example, reporting on risk outcomes and considerations relevant to the People and Remuneration Committee's recommendations in relation to remuneration outcomes for management.

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 James Fazzino and the Managing Director and CEO 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. The review involved a questionnaire circulated to each Director (as developed by an external consultant) with subsequent one-on-one performance review discussions with the Chairman, with a discussion involving the full Board to follow. The Chairman's performance review discussion is had with the Chair of the Audit and Risk Management Committee.

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 a balanced scorecard of key performance indicators and objectives in line with continued delivery of the APA strategy and operational requirements.

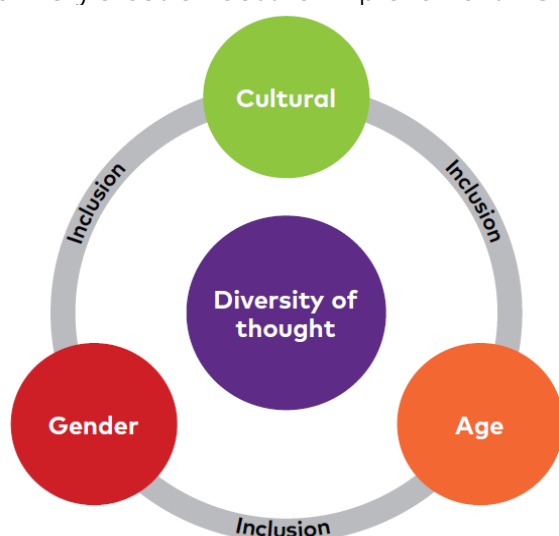
The performance evaluation of the Managing Director is handled by the Chairman and is considered by the Board. Assessment and monitoring of the performance of other senior executives is handled by the Managing Director who reports on those matters to the Chairman and the People and Remuneration Committee.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

Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The decision to remove or appoint the Company Secretary requires the Board's approval.

Diversity

APA is committed to the continued delivery of its Diversity and Inclusion Strategy (D&I Strategy), now in its second year of the three year plan, and guided by the vision to "value and harness diversity of thought for improved business performance". The strategy has three primary areas of focus for improvement – Gender, age and cultural diversity.



diversity of thought: APA's workplace is naturally inclusive and respectful of all employees. Employees are empowered to think innovatively and leverage cultural, gender and age diversity to improve business performance.

cultural: APA embraces differences in culture, beliefs and customs to build upon our diversity of thought

gender: APA seeks to attract and retain a high quality, gender balanced workforce

age: APA leverages value through the experience and potential of a cross-generational workforce

This strategy is supported by APA's Diversity and Inclusion Policy (including EEO) (published on APA's website) which was updated during the reporting period. The policy sets out APA's commitments, principles and requirements for establishing a workplace that is safe and professional, where people feel valued, respected and treated fairly. Some of those principles include (but are not limited to):

- Having a diverse and inclusive workplace that provides an environment for new ideas and innovation to flourish and contribute to improved business performance;
- That it is everyone's role at APA to promote a work environment that values seeking and utilising the contributions of all employees with their diverse views and experiences, and is naturally inclusive and respectful of all employees;
- Where the awareness of the rights and responsibilities of individuals with regard to inclusivity and respect for others is well understood and ensures a work environment that is free of discrimination, bullying, harassment and victimisation; and
- Recognising that a diverse and inclusive workplace is a competitive advantage in retaining and attracting talent which is critical to APA's ongoing success.

The D&I Strategy and policy sit within the framework of **The APA Way** which is the blueprint for how we want to do business. At the heart are our five STARS values (Safety, Trustworthy, Adaptable, Results, Service) to guide our behaviours, and this is supported by the five principles of our Decision Compass to guide the way we make decisions.

To provide greater clarity of standards and expectations with respect to the APA Way, during FY19 APA launched Our Code. A fundamental re-working of the Code of Conduct, Our Code (which is on APA's website) provides clear standards of personal conduct, professional behaviour and ethics expected of APA set out in a practical and easy to read manner with hypothetical but realistic examples to help with understanding. Our Code is for everyone – employees, Board members, contractors and business partners – and also provides underpinning support to APA's commitment to diversity and inclusion.

The People and Remuneration Committee of the APA Board provides governance and oversight of APA's D&I Strategy and outcomes. Key to this is the establishment of targets and objectives and during the reporting period, all members of the Executive Committee (as well as many senior managers beyond this) were set D&I objectives as part of their performance scorecards. The primary focus was on the completion of the Gender Targets Action Plan activities for FY19 as part of driving the achievement of the Gender Targets (see below). In addition, the Board has committed to the target that at least 30% of its representation are women.

WGEA Reporting, Gender Profile and Targets

Reflective of this focus, APA's 2019 Workplace Gender Equality Agency (WGEA) report for the period of 1 April 2018 to 31 March 2019 shows improvements in a number of the Gender Equality Indicators, particularly in promotions and appointments. APA's report can be found at <https://www.apa.com.au/about-apa/sustainability/employees/>. Set out below are the key outcomes with respect to APA's gender profile and targets:

Table 1: Women profile (as reported to WGEA for the period 1 April 2018 - 31 March 2019)

| | |
|---|-----|
| Percentage of non-executive Directors who are women | 33% |
| Percentage of workforce who are women | 28% |
| Percentage of leadership roles filled by women ¹ | 21% |
| Percentage of technical and trades roles filled by women | 4% |

(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 2018- 31 March 2019)

| | |
|---|-----|
| CEO | 0% |
| Key management personnel (KMP) ² | 29% |
| Other executives/general managers | 23% |
| Senior managers | 17% |
| Other managers | 21% |

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

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 adopted at the beginning of FY18 the following measurable objectives for achieving gender diversity:

| Category | Female % Target by 2022 | FY19 status against Target | Status at commencement of Targets (1/7/18) |
|------------------------------|-------------------------|----------------------------|--|
| Total Workforce | 30% | 28% | 26% |
| Senior Leaders ¹ | 25% | 19% | 17% |
| Talent Pipeline ² | >30% | 40% | 25% |

Diversity & Inclusion Working Groups

To help drive the D&I Strategy and specifically the action plans required to see measurable improvements, in 2018 APA introduced four targeted working groups, structured around the key objectives of the Strategy being Flexibility, Cross-Generational, Employer of Choice and Inclusivity. Each working group is sponsored and chaired by at least one member of the Executive Committee and involves other managers and employees from across the company passionate about achieving improved D&I outcomes. These four groups individually and collectively have delivered the following achievements during the reporting period, supported by key functional areas (like People Safety & Culture):

- Introduction of paid Family Violence Leave (FVL) for APA employees (up to 10 days per annum) together with a dedicated FVL support officer to assist employees/leaders with such situations;
- Conducting the Women at APA survey in late 2018 where all female employees were invited to participate to provide their insights into what APA does well and what it needs to improve (see below for more detail);

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

- Measurable reduction in female turnover from FY18 to FY19;
- The development and launch of APA's Employee Value Proposition (EVP) to improve the attraction and sourcing of talent for APA;
- Improved capability, resources and focus on recruitment around D&I and using the new EVP resulting in improved advertising and promotion, increase in number of female candidates, improved selection tools and establishing a goal of having both genders in all shortlists and interview panels;
- Almost double the number of formal flexible work arrangements recorded in FY19 compared with FY18;
- Full redesign of the Graduate Program to triple the number of graduates employed into a centralised and structured 2 year program; and
- The development of an Inclusive Leadership training program (primarily around unconscious bias) to commence roll-out in FY20.

Many of the above achievements (along with other actions) resulted in a >90% achievement of the deliverables in the FY19 component of the Gender Targets Action Plan.

Women at APA Survey

Motivated by growing concerns about the rate of voluntary turnover in female employees at APA, the confidential survey was designed and conducted by APA and run over a 3 week period in November/December 2018. 64% of APA's female employees responded with good representation from all divisions and locations. Apart from the survey results, a number of respondents also volunteered to be interviewed to provide further information and insights around working at APA.

Key findings were:

- Generally positive results around leader role models and demonstration of respectful behaviours, however concerns expressed about raising issues about poor behaviour;
- Generally strong satisfaction about leader support to balance work and personal life and the provision of flexible arrangements but a recognition that some areas need to improve; and
- Significant improvement needed around career advancement and opportunities plus skills development.

The resulting actions to address these areas over FY20 will include the establishment of structured Women's Networking events in APA's main sites, a campaign focussing on respectful workplace behaviours, continued work on improving the consistency of access to flexible work arrangements and establishment of more regular and rigorous gender pay gap audits.

People Developments

Leadership and Talent

APA continues to provide strong focus on leadership development and talent management as critical to building and maintaining the organisation's overall capabilities for now and into the future. Underpinning this is a suite of capability and competency frameworks.

During the Reporting Period, over 220 leaders across the organisation attended the new core management development program entitled 'Leading at APA'. The program provides skills development in people management activities across core processes including goal setting and performance management, and has received very positive feedback from participants.

With respect to talent and succession, a new more structured talent review process has been introduced with increased focus on removing bias, and ensuring identification of critical role gaps and implementing actions to address such gaps. All senior leaders have participated in these talent reviews, resulting in, among other things, increased use of coaching, mentoring and structured learning to address gaps and improve capability. These development

activities have also assisted with retention during a year of considerable uncertainty arising from the CKI takeover proposal. Turnover across the company did rise during FY19 to 8.4% (up from 7.3% in FY18) however in relation to regrettable losses (i.e. those deemed “Talent” having left voluntarily), this was kept relatively low at 5.5%.

New Human Resource Information System

As part of efforts to improve APA’s people processes, its data, reporting and people analytics, throughout the reporting period a project has been underway to investigate and then select a suitable integrated Human Resource Information System (HRIS). The new system will provide online, largely automated people processes in recruitment and on boarding, performance and talent, learning, remuneration and core Human Resources activities and data. The project has been approved to commence implementation during the FY20 year and will provide significant improvements and efficiencies to current processes. It will also provide a strong foundation for future growth in the business, data analytics and increased automation.

Recognising Excellence

Again in the reporting period, the APA Excellence Awards were conducted with employees being asked to nominate colleagues and team mates across a series of Awards, aligned with APA’s values. Individual awards were given for Safety, Trustworthy, Adaptable, Results, Service and the Environment plus a team STARS Award for outstanding Team achievement. A record 247 nominations were received and the winners announced in May 2019.

Principle 2: Structure the Board to be effective and 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 to nominate 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), which was updated in July 2019 including to align with the Fourth Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers the Chairman and current Directors, other than the Managing Director and James Fazzino, to be independent at the date of this statement. Consequently, a majority of the current Directors are considered independent.

The Managing Director is not considered independent given his executive role with APA.

Mr Fazzino is not considered independent due to his previous role as Chief Executive Officer of Incitec Pivot, a customer of APA, from which he retired in November 2017 and continues to receive long term incentives. As part of its consideration of Mr Fazzino's independence status, the Board noted that Mr Fazzino's spouse is a partner at PwC which is a professional service provider to APA. The Board did not consider this relationship to be relevant to its decision on Mr Fazzino's independence status given that his spouse does not personally act on any engagements involving APA.

The Independence of Directors Policy recognises that a Director's length of service may be a relevant factor in determining his or her 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 independence from management and substantial securityholders 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) | 5 |
| Executive leadership | 7 |
| International experience | 5 |
| Governance | 5 |
| Financial acumen | 6 |
| Strategy development & implementation | 7 |
| Public & regulatory policy | 3 |
| Global capital markets | 3 |
| Legal | 1 |
| Risk management | 5 |
| Health, safety and environment | 5 |
| Remuneration | 5 |
| Capital projects | 5 |

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 one Director to have a formal legal background. It is also noted that during the Reporting Period, the Board and Board Committees have, where appropriate, engaged professional legal advisers to provide independent counsel and advice to assist in the consideration of matters.

An overview of the qualifications, skills, experience and brief career histories of each Director is included in the 2019 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. Based on that analysis [the Nomination Committee](#), through a search firm, will seek a list of potential candidates believed to satisfy those requirements.

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.

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 will have at least three members;
- all members of the Committee will be non-executive Directors, a majority of whom are independent; and
- the Committee Chairman is also the Chairman of the Board (who is an independent Director).

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 and experience 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;
- making recommendations to the Board in relation to induction of new directors and the continuing professional development programs for Directors; and
- Managing Director and Chief Executive Officer succession planning and overseeing the appointment process.

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, and received management presentations on APA's key assets and business operations.

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. The scope of the induction program is tailored for each Director and may include attendance at board meetings as an observer and optional briefing sessions with the Senior Management team, auditors and fellow Directors. Prior to appointment an information pack containing materials regarding the role as Director and details of APA Group and the environment in which it operates is provided, inclusive of Board Committee Charters, policies and reports.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Code of conduct and policies

The Board and senior management are firmly committed to ensuring that they and all employees observe high standards of lawful, 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 other stakeholders who represent APA, and is approved by the Board.

The "APA Way" is the blueprint for the way the organisation does business. At the heart are APA's values ("STARS") setting expectations on behaviours; and the "Decision Compass" providing principles which guide consistent decision making aligned to support the execution of APA's corporate strategy in line with APA's risk appetite and core values. Our Code expands on what each Decision Compass principle looks like in action and sets the key standards for behaviours. During the Reporting Period, the Code was fundamentally reworked to provide greater breadth and detail of legal, ethical and behavioural requirements and expectations for APA's employees and partners.

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 and internationally.

Our Code requires that any breaches are reported and investigated including a mechanism to enable investigation without fear of retaliation or victimisation. Significant breaches are reported to the Board along with the associated investigation results and subsequent actions.

Our Code is published on APA's website and provides practical, hypothetical examples to guide those it applies to. As a fundamental policy, Our Code is part of any new employee's onboarding program and central to the APA induction for both employees and contractors. Refresher training is a requirement on a regular basis.

Setting the cultural tone for the organisation, 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 values. The STARS also form the foundation for APA's annual employee Excellence Awards, recognising and celebrating outstanding employee behaviour in line with these 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 lawful, ethical and responsible decision-making. One such policy, the Whistleblower Policy, is 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.

All disclosures received under the Whistleblower Policy are reported to the Audit and Risk Management Committee with details of investigations completed.

During the Reporting Period APA updated its Whistleblowing Policy in line with changes made to The Code to expand its scope to include suppliers, contractors and other third parties who may wish to report a concern or issue. Further to legislative changes that occurred during the Reporting Period, APA will be making further updates to its Whistleblowing Policy to comply with the requirements of the Treasury Laws Amendment Act 2019 before December 2019. The updated Whistleblower Policy will then be published on APA's website.

In addition to specific behaviours set out in The Code where APA confirms it has no tolerance for corrupt practices, as part of improvements planned to align practices with the Fourth Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, APA has committed to the adoption and disclosure of a formal Anti Bribery and Corruption Policy in the next reporting period.

Principle 4: Safeguard the integrity of corporate reports

Process for verifying Periodic Corporate Reports

APA is committed to providing securityholders and other external stakeholders with timely, consistent and transparent corporate reporting. The process which is followed to verify the integrity of APA's periodic corporate reports is tailored based on the nature of the relevant report, its subject matter and where it will be published. However, APA seeks to adhere to the following general principles with respect to the preparation and verification of its corporate reporting:

- periodic corporate reports should be prepared by, or under the oversight of, the relevant subject matter expert for the area being reported on;
- the relevant report should comply with any applicable legislation or regulations;
- the relevant report should be reviewed (including any underlying data), with regard to ensuring it is not inaccurate, false, misleading or deceptive; and
- where required by law or by APA Group policy, relevant reports authorised by release by the appropriate approver required under that law or policy.

Consistent with these principles, the non-audited sections of the Annual Report, the Sustainability Report and Corporate Governance Statement for the Reporting Period were prepared by the relevant subject matter experts and reviewed and verified by relevant APA executives and senior managers prior to Board approval. ASX announcements (other than administrative announcements) during the Reporting Period were also reviewed and approved by APA's Disclosure Committee, which comprises the Managing Director, Group Executive Governance, Risk and Legal, Chief Financial Officer and Chief Executive, Strategy and Development prior to publication. APA is undertaking a review of its other forms of periodic corporate reporting working towards consistency with the principles outlined above and, to the extent that enhancements to its processes for those reports are appropriate, these will be formalised and implemented during FY20.

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 non-executive Directors, a majority of whom are independent; 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. To fulfil its responsibilities and duties, the Committee will review and recommend to the Board APA's risk appetite statement and monitor the performance of the business by reference to that statement. The Committee also reviews and approves APA's risk management system (including policy and framework) for identifying, assessing and managing risk (both financial and non-financial).

The external and internal auditors are invited to attend Committee meetings to discuss relevant matters including audit related agenda items.

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 any matters under consideration.

The Committee is required by its Charter to meet a minimum of 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 Managing Director and Chief Executive Officer and the Chief Financial

Officer that:

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

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

The Audit and Risk Management Committee review and discuss with management and the external auditor the half year and annual financial reports to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of APA, as a basis for recommending to the Board whether the financial reports should be approved and adopted.

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 \$4,696,351 (2018: \$4,717,014). 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.

Under APA's Market Disclosure Policy, APA will not communicate price sensitive information to any investor, broker, analyst, the media or other external party unless that information has been previously disclosed to the market through the ASX Market Announcement Platform.

The Disclosure Committee comprises the Managing Director, Group Executive Governance, Risk and Legal, Chief Financial Officer and Chief Executive, Strategy and Development.

The Group Executive Governance, Risk and Legal is the nominated continuous disclosure officer.

All ASX announcements are posted on APA's website as soon as reasonably possible after notification to ASX and 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 and Audit Report is sent to securityholders who have elected to receive the Annual Report and is available online as a PDF;
- a Sustainability Report, which includes reporting on APA's performance in respect of the environment, people, community and customers, 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 2019 Annual Meeting will be held in Sydney on 24 October 2019. 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.

All resolutions put to the Annual Meeting will be decided by way of a poll.

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 and 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, which sets out the level of risk APA is prepared to take to meet its objectives, the Risk Management Policy and the Risk

Management System which sets out APA's approach to risk management. 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, risk and compliance policy status, regulatory compliance matters, business continuity and emergency response testing updates and significant incidents.

APA's Risk Appetite Statement was reviewed by the Audit and Risk Management Committee during the Reporting Period together with monitoring completed six monthly of performance against risk appetite tolerance levels. Where performance is outside appetite APA undertakes improvement activity to bring agreed tolerances back into agreed risk appetite levels.

The risk management "blueprint" program, established in FY2017, designed to advance risk management to its next level of maturity, further progressed during the Reporting Period with positive improvements identified across both the risk and compliance capability areas. Improvements in maturity are measured by annual completion of the risk scorecard. The Audit and 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.
- compliance risk: legal or regulatory risks arising in respect of laws, regulations, licences and recognised practising codes required for APA, its officers and employees.

The Board also delegates to the Health, Safety and Environment Committee responsibilities for 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. Physical and transition climate risks have been assessed using the Financial Stability Board Taskforce of Climate Related Financial Disclosure (TCFD) recommendations and are disclosed in the Sustainability Report. All sustainability risks are managed accordance with APA's Risk Management System.

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.

Revisions to the People and Remuneration Committee Charter in July 2019 capture the following responsibilities:

- annually reviewing and assessing APA's performance and remuneration strategy and frameworks, including making recommendations to the Board regarding whether APA's remuneration policies are aligned with its core values, purpose, strategic direction and risk appetite; and
- recommending remuneration for the Chief Executive Officer and Managing Director, and all executives reporting to the Chief Executive Officer and Managing Director, including considering whether there is a robust performance assessment process in place and, in consultation with the Audit and Risk Management Committee, whether proposed remuneration outcomes are appropriate in light of relevant risk outcomes and corporate culture.

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 regularly updates 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 to assist with a review of the remuneration structure for senior management as well as providing comparative market data during the period.

Remuneration structure review

During the period, the People and Remuneration Committee engaged external advisors and conducted a review of the remuneration structure for the new Managing Director and Chief Executive Officer, and Senior Managers. A number of changes will be made to the remuneration structure as a result of that review including:

- deferral into equity of a portion of short term incentives allocated; and
- replacement of the long term incentive scheme from a cash settled scheme to a performance rights grant scheme.

The reason for the changes is to better align the interests of Executives and Senior Management with those of securityholders and market practice.

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 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 2019

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 2019 |
|--------------|

Our corporate governance statement¹ for the period above can be found at:²

- 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 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 21 August 2019



Nevenka Codevelle, Company Secretary

¹ "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ 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.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (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. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ | <input type="checkbox"/> set out 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 director or senior executive or putting someone forward 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters”).

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|---|--|
| <p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) 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>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at:</p> <p>https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND 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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ and the information referred to in paragraphs (4) and (5) in our Directors' Report for the year ended 30 June 2019</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></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 that the board currently has or is looking to achieve in its membership.</p> | <p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 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, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: the Directors' Report for the year ended 30 June 2019 and the length of service of each director at: https://www.apa.com.au/about-apa/our-organisation/board/ and in our Annual Report for the year ended 30 June 2019 | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <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 for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: https://www.apa.com.au/about-apa/the-apa-way/our-values-stars/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation. | <input type="checkbox"/> and we have disclosed our code of conduct at: [insert location] | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input type="checkbox"/> and we have disclosed our whistleblower policy at: [insert location] | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: [insert location] | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> <p>and the information referred to in paragraphs (4) and (5) at: our Directors' Report for the year ended 30 June 2019</p> | <p><input type="checkbox"/> set out 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><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out 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. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.apa.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| 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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: our Directors' Report for the year ended 30 June 2019</p> | <p><input type="checkbox"/> set out 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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.3 | <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 governance, risk management and internal control processes.</p> | <p><input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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| 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | <input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Sustainability Report at: https://www.apa.com.au/about-apa/sustainability/sustainability-reports/ and, if we do, how we manage or intend to manage those risks at: https://www.apa.com.au/about-apa/sustainability/ | <input type="checkbox"/> set out in our Corporate Governance Statement |

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| 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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.apa.com.au/about-apa/our-organisation/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: our Directors' Report for the year ended 30 June 2019</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></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><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>our Directors' Report for the year ended 30 June 2019</p> <p>our Remuneration Report for the year ended 30 June 2019</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></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><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | <input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed 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. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement |

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| - | <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><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |