

Policy and Procedure

For the Nomination, Selection and Appointment of New Non-executive Directors and the Re-election of Incumbent Non-executive Directors

1. Related documents

Policies	Board Charter Nomination Committee Charter
Other	THL Constitution TIML Constitution TIL Constitution

2. Board composition

The Board’s policy is to structure the Board so that its membership provides the appropriate mix of skills, knowledge, experience, independence and diversity to enable it to discharge its responsibilities and add value to Transurban, and that its size facilitates effective discussion and efficient decision making.

The Board has established a Nomination Committee (**Committee**) to assist it in fulfilling its responsibilities relating to the size and composition of the Board. The Committee makes recommendations to the Board on these matters.

3. Procedure for the nomination, selection and appointment of new non-executive directors

Whilst the Board’s procedure for nominating, selecting and appointing new non-executive directors may vary depending on the circumstances and needs of Transurban at a particular time, the procedure can generally be summarised as follows:

- The Committee will assess the range of skills, knowledge, experience, independence and diversity (including of gender, age, relationships and background) of the Board. The Board recognises that diversity is an asset to Transurban and contributes to better overall performance, and therefore is a key consideration in Board succession planning.
- This assessment enables the identification of the particular competencies and perspectives that will best increase the Board’s effectiveness. The assessment is assisted by a skills matrix to identify any gaps in the Board’s collective skills.

- Where a need is identified or arises, the Committee will commence a search process across a diverse candidate pool. This may involve engaging an executive search firm to identify potential appointees.
- A short list of potential appointees is developed for detailed consideration and screening by the Committee. In screening short listed potential appointees, the Committee will consider the following:
 - the skills, knowledge, experience, background and personal attributes of the potential appointee;
 - the potential appointee’s ability to match the needs of the Board;
 - the extent to which the potential appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board;
 - appropriate checks undertaken as to the potential appointee’s character, experience, education, criminal record and bankruptcy history;
 - the time commitment required by a non-executive director to effectively discharge their duties to Transurban;
 - other directorships held by the potential appointee and any other material commitments that may demand their attention; and
 - the nature of the potential appointee’s existing interests, positions or relationships that might influence, or reasonably be perceived to influence, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Transurban as a whole rather than in the interests of an individual security holder or other party.

- The Committee Chair, some or all other members of the Committee, and the Chief Executive Officer (CEO) will meet with some or all of the short listed potential appointees in person.
- The Committee will recommend to the Board the most appropriate person(s) from the short list of potential appointees to be invited to join the Board.
- Any decision on the appointment of a new non-executive director will be made by the Board.

4. Election and re-election of directors

In accordance with the constitutions, all new appointees to the Board are subject to election at the Annual General Meeting (AGM) following their appointment.

Under the constitutions, no director (other than the CEO) may hold office without re-election past the third AGM following their appointment or three years, whichever is longer.

Prior to each AGM, the Board will determine whether to recommend to security holders that they vote in favour of the election or re-election (as the case may be) of each non-executive director standing for election or re-election, having regard to any matters the Board considers relevant, including the director's performance and the length of the director's tenure.

In support of their election or re-election, each non-executive director will provide the Committee with details of their other commitments and an indication of the time involved, and will specifically acknowledge to the Board that they will have sufficient time to fulfil their responsibilities as a director.

Each notice of AGM will contain all material information in Transurban's possession relevant to a decision on whether to elect or re-elect a director. The notice of AGM will also include a statement from the Board as to whether it supports the director's election or re-election and a summary of the reasons why.

The Committee will regularly review the time required from a non-executive director, and whether directors are meeting that requirement. Non-executive directors are required to inform the Chair before accepting any new appointment as a director.

5. Tenure

The Board does not set fixed tenure limits for non-executive directors. It is the Board's intention that non-executive directors serve up to three terms, other than the Chair who may serve up to four terms, but tenure remains a matter for the Board's discretion on a case-by-case basis. It may be appropriate for certain long serving non-executive directors, other than the Chair, to serve all or part of a fourth term to facilitate coordinated succession planning.

In the case of long-serving non-executive directors who are standing for re-election at an AGM but who intend to retire from the Board within their next term, this intention to retire will be clearly disclosed in the AGM notice of meeting.