

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

- Board Charter
- Nomination Committee Charter

2. Board size and composition

The Board's policy is to structure the Board so that its membership provides the mix of qualifications, skills, experience and diversity to enable it to effectively discharge its responsibilities, 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 qualifications, skills, knowledge, experience and diversity (including of gender, age, relationships and background) of the Board. The Board recognises that diversity is a competitive advantage bringing real value, adding to the collective skills and experience of the Board and allowing Board renewal with changing needs.
- This regular assessment enables the identification of the particular competencies and perspectives that will best increase the Board's effectiveness. The assessment is assisted by the development and use of a Board 'skills matrix' to identify any 'gaps'.
- 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 qualifications, skills, experience 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;
 - 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 his or her duties to Transurban;
 - the number of existing directorships and other commitments that may demand the attention of the potential appointee; and
 - the nature of the potential appointee's existing interests, positions, associations or other relationships that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Transurban and its security holders generally.

- The 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 is to determine whether it will 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 is to provide the Committee with details of their other directorships and positions that involve significant time commitments and an indication of the time involved. Each director will be asked to specifically acknowledge to the Board that they will have sufficient time to meet what is expected of them.

Each AGM notice of meeting involving the election or re-election of a director will contain all material information in Transurban's possession to enable security holders to make an informed decision on the director's election or re-election.

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.