

17 September 2021

ASX ANNOUNCEMENT

APA Group (ASX: APA)

NOTICE OF ANNUAL MEETING

APA Group provides the attached documents:

- Notice of Annual Meeting 2021
- Proxy Form



Authorised for release by Nevenka Codevelle

Company Secretary

Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.

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.

**always
powering
ahead**



AUSTRALIAN PIPELINE TRUST (ARSN 091 678 778) AND
APT INVESTMENT TRUST (ARSN 115 585 441)

Notice of Annual Meeting 2021
Thursday, 21 October 2021
at 10:30am (AEDT)

Important: In light of the uncertainty and ongoing restrictions as a result of COVID-19 pandemic, this year the Annual Meeting of APA Group will be held as a virtual meeting. Securityholders and proxyholders will be able to participate in the meeting virtually via our online meeting platform at <https://agmlive.link/APA21>, or by telephone on (+61) 1800 572 288.

All eligible APA Group Securityholders should consider voting on the proposed resolutions. Your vote is important and we thank you for your support. If you are unable to participate in the meeting on the day, please register your vote by completing and returning the proxy form, or lodging your proxy online, before **10:30am (AEDT) on Tuesday, 19 October 2021**.

Even if you plan to participate in the meeting virtually or by telephone, we encourage you to submit a directed proxy vote to make sure that your vote will be counted if for any reason you cannot vote on the day (for example, if there is an issue with your internet connection).



17 September 2021

Dear Securityholder

2021 APA Group Annual Meeting

On behalf of Australian Pipeline Limited, the responsible entity of Australian Pipeline Trust and APT Investment Trust, I confirm that the Annual Meetings of those trusts are to be held concurrently, on Thursday, 21 October 2021 at 10:30am (AEDT). I invite you to participate in the meeting which will be held as a virtual meeting via an online meeting platform and by telephone.

The Annual Meeting is an important event on the APA Group calendar. It not only provides the opportunity to update Securityholders on performance for the prior financial year, but also offers you the opportunity to ask questions and vote on items of business. The health of Securityholders, employees and other stakeholders is of paramount importance to your Board. In light of the uncertainty and ongoing restrictions as a result of COVID-19 pandemic, this year the APA Group meeting will be held as a virtual meeting. The intention is for Securityholders and proxyholders to be able to participate virtually using our online meeting platform or by telephone.

If it becomes necessary or appropriate to modify arrangements for the Annual Meetings from those set out in the attached Notice of Meeting, APA Group will notify Securityholders and proxyholders accordingly via the APA Group's website (<https://www.apa.com.au/investors/annual-meeting>) and the ASX announcement platform.

Further details on how to participate in the Annual Meeting are set out below.

- APA Group Securityholders and proxyholders may participate in the meeting virtually via our online meeting platform at <https://agmlive.link/APA21>. To do this you will need a desktop, mobile or tablet device with internet access. When you log onto the online platform on the morning of the meeting you will need to provide your details (including your SRN or HIN) to be verified as a Securityholder or proxyholder. Following this you will be given details as to how to vote and submit questions during the meeting. During the meeting Securityholders and proxyholders participating virtually will be able to ask questions and submit their votes through the online meeting platform. Further information regarding virtual meeting participation is detailed in the Virtual Meeting Guide which is available at both <https://www.apa.com.au/investors/annual-meeting> and <https://agmlive.link/APA21>.
- Securityholders and proxyholders may participate in the meeting by telephone on 1800 572 288 (+61 1800 572 288 for overseas participants). Securityholders participating via telephone will be able to ask questions during the meeting. Voting by telephone will be conducted during a dedicated period immediately prior to the closure of the meeting, using telephone prompts. Please follow the voting instructions provided by the call facilitator. You will require your unique PIN, found on your proxy form, for verification purposes.

At the meeting, we will provide a report to Securityholders on the results and activities of APA Group for the financial year to 30 June 2021. Securityholders are encouraged to consider and vote on the following resolutions, as detailed in the Notice of Meeting:

- To adopt the APA Group's Remuneration Report for the year ended 30 June 2021.
- To approve the nominations of Michael Fraser and Debra Goodin as Directors of Australian Pipeline Limited. Each of them, being eligible, is standing for re-election. Details of their experience and qualifications are provided in the Explanatory Notes to the enclosed Notice of Meeting.
- To approve a grant of performance rights to the Chief Executive Officer under APA Group's long term incentive plan.

Further details in relation to these resolutions are set out in the Explanatory Notes to the enclosed Notice of Meeting.

We appreciate receiving feedback from Securityholders on any aspect of APA Group and its business, and so invite you to send your comments or questions in advance of the meeting using the form enclosed with your proxy, by email to apagroup@linkmarketservices.com.au, or online with your proxy appointment. Please submit any questions by 5:00pm (AEDT) on Thursday 14 October 2021. During the meeting, I will endeavour to answer as many of the more frequently asked questions as reasonably possible.

If however you are unable to participate the meeting by the options provided to you, please either lodge your proxy online or complete your enclosed proxy form and lodge it in accordance with the instructions in the Notice of Meeting, so that it is received by APA Group's registry before 10.30am (AEDT) on Tuesday, 19 October 2021.

We look forward to your participation in the meeting.

Sincerely

Michael Fraser
Chairman

NOTICE OF ANNUAL MEETING

Notice is given that a meeting of the Securityholders of each of Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441), which together comprise APA Group, will be held as follows:

Time: 10:30am (AEDT)

Date: Thursday, 21 October 2021

Attendance details: Securityholders may attend the meeting by:

- Online meeting platform at <https://agmlive.link/APA21>
- Telephone on 1800 572 288 (or +61 1800 572 288 for overseas participants).

This notice is issued by Australian Pipeline Limited (ACN 091 344 704 and AFSL 239 927) as responsible entity of Australian Pipeline Trust and APT Investment Trust.

ITEMS OF ORDINARY BUSINESS

1. Adoption of the Remuneration Report.

Votes on this resolution are advisory only and do not bind the Directors or APA Group. The Directors will consider the outcome of the vote and comments made by Securityholders on the Remuneration Report when reviewing APA Group's remuneration policies.

Securityholders are asked to consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

Resolution 1:

That the Remuneration Report for the year ended 30 June 2021 be adopted.

APA Group will disregard any votes cast on this resolution by or on behalf of certain Securityholders. Details of the voting exclusions applicable to Resolution 1 are set out in the "Voting Exclusions" section on page 03.

2. Nomination of Michael Fraser for re-election as a Director.

Michael Fraser retires by rotation as a Director of Australian Pipeline Limited and offers himself for re-election.

Australian Pipeline Limited has nominated Mr Fraser to be re-elected as a Director of Australian Pipeline Limited and Mr Fraser, being eligible, has indicated that he wishes to seek re-election. Information about his qualifications and experience are set out in the Explanatory Notes to this Notice.

Securityholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 2:

That the nomination of Michael Fraser to be re-elected as a Director of Australian Pipeline Limited be approved.

3. Nomination of Debra Goodin for re-election as a Director.

Debra (Debbie) Goodin retires by rotation as a Director of Australian Pipeline Limited and offers herself for re-election.

Australian Pipeline Limited has nominated Ms Goodin to be re-elected as a Director of Australian Pipeline Limited and Ms Goodin, being eligible, has indicated that she wishes to seek re-election. Information about her qualifications and experience are set out in the Explanatory Notes to this Notice.

Securityholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 3:

That the nomination of Debra Goodin to be re-elected as a Director of Australian Pipeline Limited be approved.

4. Approval of grant of performance rights to the Chief Executive Officer under the APA Group long term incentive plan.

APA Group's Chief Executive Officer, Robert Wheals, is entitled to participate in the APA Group long term incentive plan and is proposed to receive a grant of performance rights in respect of the year ending 30 June 2022.

Securityholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 4:

That approval be given for all purposes for the grant of performance rights to Robert Wheals as his annual long term incentive award for the year ending 30 June 2022 on the terms described in the Explanatory Notes to the Notice of Meeting.

APA Group will disregard any votes cast on this resolution by or on behalf of certain Securityholders. Details of the voting exclusions applicable to Resolution 4 are set out in the "Voting Exclusions" section on page 03.

By order of the Board of Australian Pipeline Limited as responsible entity of Australian Pipeline Trust and APT Investment Trust.



Nevenka Codevelle
Company Secretary

Australian Pipeline Limited
17 September 2021

The Explanatory Notes accompanying this Notice of Meeting form part of this Notice of Meeting and provide information relating to the resolutions and the responsible entity's reasons for proposing the resolutions.

INFORMATION FOR SECURITYHOLDERS

Required Majority

Resolutions 1 through 4 are ordinary resolutions, and will be passed if more than 50% of the votes cast by Securityholders (in their personal capacity or by proxy) entitled to vote on the resolutions are in favour of them.

All items of business set out in the Notice of Meeting will be decided by way of a poll.

Appointment of Chairman

In accordance with the *Corporations Act 2001* and the Constitutions of Australian Pipeline Trust and APT Investment Trust, Australian Pipeline Limited has appointed Michael Fraser, Chairman of Australian Pipeline Limited, to act as Chairman of the meeting. However, when Resolution 2 relating to Mr Fraser's own nomination is being considered and voted on, another Director will act as Chairman for that part of the meeting.

Right to Appoint a Proxy or Attorney

A Securityholder has the right to appoint a proxy to participate in and vote at the meeting on their behalf. A proxy does not need to be a Securityholder in APA Group, and you may appoint the Chairman of the meeting as your proxy. A Securityholder may appoint two proxies and, if a Securityholder does so, they may specify the proportion or number of votes each proxy is appointed to exercise. The Proxy Form that accompanies this Notice of Meeting includes instructions on how to vote and appoint a proxy.

To be effective, a Proxy Form (and, if relevant, any Power of Attorney under which it was signed) must be received at Link Market Services, the registry of APA Group, by no later than 10.30am (AEDT) on Tuesday, 19 October 2021 as follows:

By hand delivery⁽¹⁾: 1A Homebush Bay Drive, Rhodes, NSW 2138
or
Level 12, 680 George Street, Sydney NSW 2000

By post: APA Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South, NSW, 1235

By facsimile: +61 2 9287 0309

Electronically: Log onto the registry website, www.linkmarketservices.com.au and follow the prompts and instructions.

1) subject to any COVID-19 public health orders and restrictions.

A Securityholder also has the right to appoint an attorney to participate in and vote at the meeting on their behalf. If the Securityholder is an individual the power of attorney must be signed in the presence of at least one witness. For the appointment of an attorney to be effective for the meeting, the original power of attorney or a certified copy of the same must be received at Link Market Services (at the details set out above) by no later than 10.30am (AEDT) on Tuesday, 19 October 2021.

Voting Entitlement

Securityholders registered as holders of securities in APA Group as at 7.00pm (AEDT) on Tuesday, 19 October 2021 will be entitled to participate in and vote at the meeting (subject to any applicable voting exclusion).

Participating in the Annual Meeting

Securityholders and proxyholders can watch, ask questions, make comments and vote in real time during the meeting through an online meeting platform at <https://agmlive.link/APA21>.

To register, Securityholders will need their securityholder number and postcode. Proxyholders will need their proxy number which will be provided by Link Market Services following lodgement of the proxy appointment and no later than 48 hours prior to the meeting. Participants should register at least 15 minutes before the meeting. Further information can be found in the Virtual Meeting Guide, which will be posted on APA Group's website prior to the Annual Meeting.

Alternately, Securityholders and proxyholders can participate in the meeting by telephone on 1800 572 288 (or +61 1800 572 288 for overseas participants). Securityholders and proxyholders participating via telephone will be able ask questions during the meeting. Voting will be conducted in a dedicated period immediately prior to the closure of the meeting using telephone prompts. Please follow the voting instructions provided by the call facilitator. You will require your unique PIN, found on your proxy form, for verification purposes.

INFORMATION FOR SECURITYHOLDERS CONTINUED

Written Questions

Securityholders are encouraged to submit written questions on any aspect of APA Group and its business, in advance of the meeting using the form enclosed with your proxy, by email to apagroup@linkmarketservices.com.au, or online with your proxy appointment. Please submit any questions by 5:00pm (AEDT) on Thursday 14 October 2021.

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to Securityholders.

Technical Difficulties

The Chairman has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of Securityholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

As previously noted, if Securityholders plan to participate in the meeting virtually or by telephone, in order to ensure that potential technical difficulties do not affect your participation, Securityholders are encouraged to lodge a directed proxy by 10.30am (AEDT) on Tuesday, 19 October 2021.

Voting Exclusions

The *Corporations Act 2001* requires that listed companies exclude their key management personnel (referred to as "KMP") from voting on certain matters relating to remuneration. Specified persons are also excluded from voting on certain matters relating to remuneration under the ASX Listing Rules. In accordance with the Corporate Governance Framework adopted by the Board effective 1 July 2017, APA Group has determined that those voting exclusions will apply to APA Group as if APA Group was a listed company.

The voting exclusions applicable in respect of the 2021 Annual Meeting of Securityholders are described below.

Voting Exclusion applicable to Resolution 1

APA Group will disregard any votes cast on Resolution 1:

- > by or on behalf of a member of APA Group's KMP named in the Remuneration Report for the year ended 30 June 2021 or their closely related parties (regardless of the capacity in which the vote is cast); or
- > as proxy by a person who is a member of the APA Group's KMP on the date of the Annual Meeting or their closely related parties, unless the vote is cast on Resolution 1:
- > as proxy for a person entitled to vote, in accordance with a direction given to the proxy to vote on the resolution in that way; or
- > by the person chairing the meeting pursuant to a proxy appointment which expressly authorises the Chairman of the meeting to exercise the proxy (even though Resolution 1 is connected with the remuneration of the KMP).

Voting Exclusion applicable to Resolution 4

APA Group will disregard any votes cast on Resolution 4:

- > in favour of the resolution by or on behalf of Robert Wheals or any of his associates (regardless of the capacity in which the vote is cast); or
- > as proxy by a person who is a member of the APA Group's KMP on the date of the Annual Meeting or their closely related parties, unless the vote is cast on Resolution 4:
- > as proxy or attorney for a person entitled to vote, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- > by the person chairing the meeting pursuant to a proxy appointment which expressly authorises the Chairman of the meeting to exercise the proxy (even though Resolution 4 is connected with the remuneration of the KMP); or
- > by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

What this means for Securityholders

If you intend to appoint a member of APA Group's KMP (other than the Chairman) as your proxy, please ensure that you direct them how to vote on Resolutions 1 and 4 by completing the "Voting Directions" section of the proxy form (for example if you wish to vote for, against, or abstain from voting). If you do not direct them how to vote, the vote will be disregarded.

If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote by completing the "Voting Directions" section on the proxy form or, you can choose not to complete this section for Resolutions 1 and 4 and give the Chairman of the meeting your express authority to vote your undirected proxy (in which case the Chairman intends to vote in favour of Resolutions 1 and 4).

Corporate Representatives

A company wishing to appoint a person to act as its representative at the meeting must provide that person with a letter executed in accordance with that company's Constitution and the *Corporations Act 2001* authorising him or her to act as the Securityholder's representative.

EXPLANATORY NOTES

Resolution 1: Adoption of the Remuneration Report

The purpose of Resolution 1 is to adopt the Remuneration Report for the year ended 30 June 2021. The Remuneration Report, commencing on page 40 of the APA Group 2021 Annual Report, is also available on the website www.apa.com.au.

Consistent with the Corporate Governance Framework adopted by the Board effective 1 July 2017, the Board has determined that APA Group Securityholders will be able to vote on APA Group's Remuneration Report each year.

The Remuneration Report outlines APA Group's remuneration framework and remuneration outcomes for Directors and other KMP for the year ended 30 June 2021. The Board and the People and Remuneration Committee believe the remuneration framework provides a robust remuneration and reward system that aligns employee and investor interests while facilitating the attraction, retention and development of employees.

The vote on Resolution 1 is advisory only and does not bind the Directors or APA Group. However, in accordance with the Corporate Governance Framework, if at two consecutive Annual Meetings at least 25% of the votes cast on the Remuneration Report are voted against its adoption, then it will trigger the 'two strikes' mechanism in the *Corporations Act 2001*.

Securityholders will have an opportunity to ask questions and make comments on the Remuneration Report at the meeting before voting on whether to adopt the report. The Board will consider and take into account the outcome of the vote and feedback from Securityholders on the Remuneration Report when reviewing APA Group's remuneration policies.

The Board recommends that Securityholders vote in favour of adoption of the Remuneration Report.

Resolutions 2 and 3: Nomination of Michael Fraser and Debra Goodin for re-election as Directors of Australian Pipeline Limited

Retirement and re-election of Michael Fraser and Debra Goodin as Directors

Under the Constitution of the responsible entity, Australian Pipeline Limited, at each Annual General Meeting of the company one third of the Directors, or the nearest whole number thereto, and any other Directors who have held office for three years since re-election, must retire from office. They are, however, eligible for re-election.

Accordingly, Mr Fraser and Ms Goodin will retire as Directors at the 2021 Annual General Meeting of Australian Pipeline Limited. They are both, however, eligible for re-election as Directors.

Nomination by Securityholders

The constituent documents of Australian Pipeline Limited require the company to use its best endeavours to afford unitholders of Australian Pipeline Trust (being APA Group Securityholders) the opportunity to nominate candidates to fill vacancies on the Board of Directors of Australian Pipeline Limited ("Board"). Accordingly, on 9 February 2021 Australian Pipeline Limited lodged with ASX a calendar of events for 2021 which set out the opening and close dates for the nomination of candidates from Securityholders. Details of how candidates could be validly nominated was made available on APA Group's website (<https://www.apa.com.au/investors/annual-meeting/nominations-for-position-of-director>) between the opening and closing dates.

Nominations were required to be received by 5.00pm (Sydney time) on 21 August 2021. No nominations were received within that timeframe.

Nomination of Michael Fraser and Debra Goodin

The constituent documents of Australian Pipeline Limited also provide that the company may itself nominate a person to fill the office of any retiring Director and is required to use its best endeavours to afford Securityholders the opportunity to approve such nomination. Australian Pipeline Limited has therefore nominated Michael Fraser and Debra Goodin to fill the vacancies that will arise on their retirement as Directors.

In considering whether to support the re-election of Michael Fraser and Debra Goodin, the Board assessed the performance and contributions of each of them as a Director, and how their qualifications, experience and knowledge complement the skills and experience represented on the Board as a whole and contribute to the performance of the Board. None of the nominees participated in the Board discussion with respect to their own candidature.

On the basis of that analysis, the Board (in the case of each of the nominations referred to above, other than the nominee themselves) recommends to Securityholders the nomination of Michael Fraser and Debra Goodin for re-election as Directors of Australian Pipeline Limited, and Securityholders are being given the opportunity to approve those nominations at the meeting.

Re-election of Directors

If Securityholders approve (by ordinary resolution) the nominations of Michael Fraser and Debra Goodin at the meeting, pursuant to the Constitution of Australian Pipeline Limited they will be re-elected as Directors of that company at the company's 2021 Annual General Meeting. If Securityholders do not approve any of those nominations, Australian Pipeline Limited will not nominate that person for re-election to the Board.

As Australian Pipeline Limited only has one member, APT Pipelines Limited, under the *Corporations Act 2001* it is not required to hold an Annual General Meeting and may instead pass a resolution by the sole member recording and signing the record of the resolution. Therefore, the resolution with respect to the re-election of the successful nominees will be recorded and signed by the sole member of Australian Pipeline Limited after the close of the Annual Meeting of Securityholders.

Re-elected Directors will hold office for a term not exceeding three years and will be subject to retirement by rotation in accordance with the Constitution of Australian Pipeline Limited.

Resolution 2: Nomination of Michael Fraser for re-election as a Director

Michael Fraser

BCom FCPA MAICD

Independent, Non-Executive Director and Chairman

Michael was appointed as a Director of Australian Pipeline Limited on 1 September 2015, and as Chairman on 27 October 2017. Michael has more than 35 years' experience in the Australian energy industry, holding various executive positions at AGL Energy culminating in his role as Managing Director and Chief Executive Officer for the period of seven years until February 2015.

Michael is a Director of Aurizon Holdings Limited. He is also a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCo Participants Advisory Committee, as well as a former Director of Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

Michael is a member of the Audit and Risk Management Committee and is the Chairman of the Nomination Committee.

The Board has reviewed Michael's performance and believes that Michael continues to provide a valuable contribution to the Board, noting Michael's extensive corporate and business experience across the energy infrastructure sector.

The Board believes Michael's substantial experience with APA Group and the other companies and institutions he has served in an executive and non-executive capacity, further enhances the Board's ability to oversee APA Group's performance and governance. Michael's insights, knowledge and extensive corporate experience are particularly valuable in his role as Chairman of both the Board and the Nomination Committee, and as a member of the Audit and Risk Management Committee.

The Board (other than Mr Fraser) recommends that Securityholders vote in favour of Mr Fraser's nomination for re-election as a Director.

EXPLANATORY NOTES CONTINUED

Resolution 3: Nomination of Debra Goodin for re-election as a Director

Debra (Debbie) Goodin

BEc FCA MAICD

Independent, Non-Executive Director

Debra was appointed a Director of Australian Pipeline Limited on 1 September 2015. Debra is an experienced Non-Executive Director and Chairman of both listed and unlisted corporates, being currently Chairman of Atlas Arteria Limited, and a Director and Audit Committee Chairman of Australia Pacific Airports Corporation Limited as an IFM owners' representative. She was formerly a Director of oOh!media Limited, Senex Energy Limited and Ten Network Holdings Limited.

Debra also has executive experience in operations, finance and corporate development, including with engineering and professional services firms, and is a Fellow of Chartered Accountants Australia and New Zealand.

Debra is the Chair of the Audit and Risk Management Committee, a member of the Health, Safety, Environment and Heritage Committee and a member of the Nomination Committee.

The Board has reviewed Debra's performance and believes that she continues to provide a valuable contribution to the Board, noting Debra's extensive corporate and business experience in energy and resources, telecommunications, infrastructure and transport and logistics.

The Board believes Debra's substantial experience with APA Group and the other companies and institutions she has served in an executive and non-executive capacity, further enhances the Board's ability to oversee APA Group's performance and governance. Debra's insights, knowledge and experience are particularly valuable in her roles as the Chair of the Audit and Risk Management Committee, a member of the Health Safety, Environment and Heritage Committee and a member of the Nomination Committee.

The Board (other than Ms Goodin) recommends that Securityholders vote in favour of Ms Goodin's nomination for re-election as a Director.

Resolution 4: Approval of the Chief Executive Officer and Managing Director's equity incentive

APA Group operates a long term incentive ("LTI") plan for members of the APA Group's Executive Leadership Team, including the Chief Executive Officer ("CEO"). APA Group's current LTI plan is equity-based, with performance rights being granted to participants under the APA Group Equity Incentive Plan.

Consistent with ASX Listing Rule 10.14, APA Group is seeking Securityholder approval for the grant of 270,362 performance rights to the CEO, Robert Wheals, as part of his annual LTI award for FY22. Listing Rule 10.14 provides that a listed company must not issue securities to a Director under an employee incentive scheme unless it obtains the approval of its Securityholders.

The Board of Australian Pipeline Limited expects that any securities in APA Group allocated to the CEO on vesting of the performance rights for FY22 would be sourced on market. However, Securityholder approval is nevertheless being sought in the interests of transparency and good governance and to preserve flexibility in case, for whatever reason, the Board determines it is appropriate to issue the securities. If Securityholder approval is obtained, the performance rights will be granted to Mr Wheals under the APA Group Equity Incentive Plan within 12 months of the Annual Meeting. If Securityholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Wheals.

The FY22 LTI award is designed to align the interests of the CEO with the interests of Securityholders by providing the opportunity to receive an equity interest in APA Group through the granting of performance rights. Performance rights have been selected as it aligns executives with the interests of Securityholders without providing the participant with ownership of securities until performance conditions are met.

Grant of performance rights

Each performance right entitles the CEO to one fully paid ordinary stapled security in APA Group on vesting, subject to meeting performance conditions. The Board retains a discretion to make a cash payment on vesting of the performance rights in lieu of an allocation of stapled securities.

For FY22, the CEO will be offered performance rights having a face value opportunity of \$2,512,000 as referred to below. The maximum number of performance rights granted will be 270,362, which has been calculated by dividing the face value of the CEO's LTI award by \$9.2931, being the volume-weighted average price ("VWAP") of the securities of APA Group on the ASX over the 20 trading days prior to the start of the performance period. This approach aims to align the allocation methodology with the commencement of the LTI performance period. The actual value that the CEO will receive (if any) will depend on whether and the extent to which the performance conditions are achieved.

Under the terms of the LTI plan, performance rights are granted at no cost and there is no amount payable by the CEO on vesting.

Performance period and vesting period

The FY22 LTI award will be subject to performance conditions measured over a performance period of 3 years commencing on 1 July 2021 and ending on 30 June 2024.

To the extent that the relevant performance conditions are satisfied, the FY22 LTI award will vest in three equal tranches, with:

- one third being eligible to vest immediately after performance testing (end year 3);
- one third being eligible to vest 12 months after performance testing (end year 4); and
- the remaining one third being eligible to vest 24 months after performance testing (end year 5).

Performance conditions and testing

Performance rights granted as part of the FY22 LTI award are subject to the satisfaction of two performance conditions. Performance will not be re-tested if the minimum performance conditions have not been met at the end of the performance period.

The performance conditions are as follows:

- **Relative Total Securityholder Return:** 50% of the performance rights will be subject to a relative total Securityholder return ("TSR") hurdle, which compares the TSR performance of APA Group with the TSR performance of a peer group of companies (the "TSR Component").
- **Return on Capital:** the remaining 50% of the performance rights will be subject to a return on capital ("ROC") performance condition reflecting operating earnings achieved based on operating assets during the performance period (the "ROC Component").

TSR Component

The percentage of performance rights comprising the TSR Component that vest, if any, will be based on APA Group's TSR ranking over the performance period relative to a bespoke group of peers as at the start of the performance period ("the Comparator Group"), as set out in the following vesting schedule:

APA Group's TSR rank in the Comparator Group	% of performance rights that vest
Less than 50th percentile	Nil
At 50.0th percentile (threshold)	50%
Between 50th and 82.5th percentile	Straight line pro rata vesting between 50% and 100%
At 82.5th percentile or above	100%

EXPLANATORY NOTES CONTINUED

TSR Component (continued)

In prior years, relative TSR was assessed against a S&P/ASX100 peer group however following a review of the appropriateness of the Comparator Group, TSR performance will be assessed against a bespoke peer group from FY22 and onwards.

The constituents in the peer group have been selected based on the following factors:

- alignment with APA's status as a 'real assets' business;
- inclusion within the S&P/ASX100 index; and
- ensuring a meaningful number of companies in the peer group to ensure performance can be assessed appropriately.

The companies in the peer group for the FY22 grant are:

AGL Energy	Transurban	Mirvac Group
Atlas Arteria Group	Aurizon Holdings	Scentre Group
AusNet Services	Qube Holdings	Stockland
Origin Energy	Dexus	Vicinity Centres
Spark Infrastructure	Goodman Group	Telstra Corporation
Sydney Airports	GPT Group	TPG Telecom

The Board retains discretion to vary the Comparator Group for the purposes of the TSR Component, for example to reflect delistings, mergers and other corporate actions.

ROC Component

The percentage of performance rights comprising the ROC Component that vest, if any, will be based on APA Group's ROC as reflected by the Group's underlying earnings before interest, tax, depreciation and amortization (EBITDA) divided by its funds employed (which represents the assets of the business used to derive revenue) with reference to the following vesting schedule:

APA Group's ROC over the performance period	% of performance rights that vest
Less than 11.20%	Nil
Equal to 11.20% (threshold)	33%
Greater than 11.20% up to 11.50%	Straight line pro rata vesting between 33% and 100%
At or above 11.50%	100%

The ROC is calculated as an average over three years, using the average of underlying EBITDA for FY22 and the following two financial years. Underlying EBITDA is calculated as statutory EBITDA excluding recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations, and significant items. Further details regarding the ROC performance condition, including calculation of the funds employed, are provided in section 4.3 ("LTI plan") of the Remuneration Report in the APA Group 2021 Annual Report, available on the website www.apa.com.au.

Calculation of ROC will be determined by the Board and the Board retains discretion to adjust underlying EBITDA and funds employed (including the methodology for applying the ROC performance condition over the performance period) to account for extraordinary items, corporate transactions or organisational changes and to otherwise ensure that inappropriate outcomes are avoided.

Voting and distribution entitlements

The performance rights granted under the LTI award do not carry distribution or voting rights prior to vesting. Stapled securities allocated upon vesting of performance rights carry the same distribution and voting rights as other securities in APA Group.

Cessation of employment

Unless the Board determines otherwise, on cessation of the participant's employment unvested performance rights will generally remain on foot and be subject to the original terms of grant, tested in the ordinary course. The Board retains overarching discretion to determine the treatment of on-foot awards, depending on the leaver circumstances.

Change of control

Under the rules of the APA Group Equity Incentive Plan and the terms of the LTI award, the Board may determine in its absolute discretion that some or all of participants' performance rights will vest on a change of control.

Clawback of inappropriate benefits

Under the APA Group Equity Incentive Plan rules and the terms of the LTI award, the Board has broad clawback powers which it may exercise if, among other things the participant has acted fraudulently or dishonestly, has engaged in gross misconduct, or where vesting is not justified or supportable in the opinion of the Board having regard to the personal performance and/or conduct of the participant.

Dealing restrictions

Any dealing (including transfer, sale, disposal or hedging) in respect of a performance right is prohibited, unless specifically authorised by the Board.

APA Group Equity Incentive Plan

The Board may amend or waive terms under the APA Group Equity Incentive Plan, subject to the ASX Listing Rules. Subject to the Listing Rules, the Board may make such adjustments to performance rights awarded under the Plan as the Board considers appropriate in order to minimise or eliminate any material advantage or disadvantage to Mr Wheals resulting from a corporate action such as a corporate transaction, capital raising or capital reconstruction. The Remuneration Report in the Company's Annual Report for the financial year ended 30 June 2021 contains further details about the APA Group Equity Incentive Plan.

Additional information

The following information is provided for the purposes of ASX Listing Rule 10.15:

– Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Wheals' current total remuneration package:	
Total fixed remuneration (including superannuation) (TFR)	\$1,675,000
Short-term incentive (maximum)	\$1,507,500 (90% of TFR)
Long-term Incentive	\$2,512,500 (150% of TFR)
Total maximum remuneration	\$5,695,000

- This is the third time APA Group is seeking approval under Listing Rule 10.14 in respect of LTI plan awards made under the APA Group Equity Incentive Plan. 432,966 performance rights have previously been issued to Mr Wheals (at no cost) under the APA Group Equity Incentive Plan.
- Robert Wheals is the only Director of Australian Pipeline Limited (or associate of a Director) entitled to receive performance rights under the LTI plan.
- No loan will be made in relation to the acquisition of performance rights under the LTI plan.
- Details of any performance rights issued under the APA Group Equity Incentive Plan will be published in APA Group's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of rights under the APA Group Equity Incentive Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

The Board (other than Mr Wheals) recommends that Securityholders vote in favour of the grant of performance rights to Mr Wheals.

APA Group's 2021 Annual Report is available on our website www.apa.com.au, an alternate way to access the Annual Report and help the environment.



Australian Pipeline Ltd ACN 091 344 704
AFSL 239927
Australian Pipeline Trust ARSN 091 678 778
APT Investment Trust ARSN 115 585 441
APA Group


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
APA Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND***
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000
*subject to any COVID-19 public health orders and restrictions

 **ALL ENQUIRIES TO**
Telephone: 1800 992 312 Overseas: +61 1800 992 312

Unique PIN:

(for telephone attendance)

Australia : 1800 572 288
New Zealand: 0800 448 986
Worldwide: +61 1800 572 288

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am on Tuesday, 19 October 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

 **BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the APA Group's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your APA Group stapled securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of the APA Group.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your APA Group stapled securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of APA Group stapled securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning APA Group's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Annual Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to commencement of the meeting in accordance with the Notice of Annual Meeting. A form of the certificate may be obtained from the APA Group's security registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of APA Group and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual Meeting of the APA Group to be held at **10:30am on Thursday, 21 October 2021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/APA21> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Resolutions 1 & 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the APA Group's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by APA Group if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

RESOLUTIONS

Board Recommendation		For	Against	Abstain*
FOR	1 Adoption of the Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	2 Nomination of Michael Fraser for re-election as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	3 Nomination of Debra Goodin for re-election as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	4 Approval of grant of performance rights to the Chief Executive Officer under the APA Group long term incentive plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

APA PRX2101N

