



Company	APA Group
Code	APA
Meeting	AGM
Date	22 October 2020
Venue	Virtual
Monitor	Ian Anderson assisted by Lewis Gomes

Number of attendees at meeting	33 voting security holders, 5 non-voting security holders, 9 proxy holders, plus 209 visitors – as provided by the company
Number of holdings represented by ASA	436
Value of proxies	\$43.7M
Number of shares represented by ASA	4.06M (equivalent to 12 th largest holder in Top 20 list)
Market capitalisation	\$12.7B – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chairman Michael Fraser

APA Looking Ahead to Expansion and Renewables

The meeting was held virtually using the Link Group’s online platform which seemed to work well although it is important to have the correct versions of browsers. The chairman ran the meeting while standing at a lectern similar to a normal physical meeting and individual directors appeared virtually from remote locations. All questions were attributed to the questioner.

The chairman opened the meeting by thanking the CEO Rob Wheals and all APA staff for their efforts during a challenging year. He noted the financial results with dividends increased 6.4% to 50 cents per security and highlighted that APA had produced a total securityholder return of 2,203% since listing twenty years ago.

He then reviewed APA’s involvement in renewable energy highlighting that it was now Australia’s sixth largest owner of renewable energy assets with just over half of its power generation coming from wind and solar. He also noted that its recent Climate Change Resilience Report had concluded that APA’s assets remained robust under three divergent climate scenarios out to 2050

including a worst case 1.5°C pathway. He concluded by confirming that trading performance in Q1 was in line with expectations and FY21 EBITDA was expected to be in the same range as FY20.

The CEO spoke to APA's refreshed Purpose and redefined Vision to be at the forefront of the energy transformation with a strong customer focus. He also reiterated the importance of the company's safety culture and environmental and community outcomes. He reviewed the company's responses to bushfires and Covid-19 challenges and highlighted new staff appointments including new CFO, Adam Watson who will replace long serving CFO, Peter Fredericson in November.

He then reviewed natural gas's role in moving away from coal, highlighting expansion of the East Coast Gas Grid and Goldfields and Eastern Goldfields pipeline grids in WA. He foresaw up to \$4B of domestic growth opportunities over the next five to ten years with as much as \$1B already in active discussion for decision/delivery within the next two to three years. He confirmed APA's continuing interest in identifying opportunities in the USA but noted that any investment would have to meet APA's investment criteria.

The remuneration report was comfortably carried with 88% of votes cast with only a few questions challenging the payments of "bonuses" to executive staff. All director resolutions were carried except the election of the non-board endorsed nominee, Victoria Walker which received less than 2% support. Peter Wasow received about 91% of votes cast while Shirley In't Veld and Rhoda Phillippo each received impressive votes of over 99%. The special resolutions relating to the use of electronic technology for meetings which required 75% support to pass were carried with only 3% of cast votes to spare. The company attributed the close vote to one proxy advisor recommending an against vote on the grounds that the proposed resolutions could allow virtual only meetings.

General business covered a range of issues relating to climate change, the replacement of coal by gas, engagement with local communities, the proposed Western Slopes Pipeline, use of hydrogen and targets for APA emissions. In response to a question from ASA the chairman confirmed that if Santos decides to proceed with development of the Narrabri gas field, APA has an agreement to develop a 460km pipeline to connect the field to the east coast domestic market. Questions on the technical issues with the Orbost Gas Processing Plant were also addressed, with the expectation that the plant will be able to work at full capacity by mid 2021.

The meeting concluded in under two hours. It is interesting to note in the attendance statistics that, contrary to expectations, the attendance by shareholders at the virtual meeting was much smaller than usual and the number of visitors was substantially up. The company thought this might be due other meetings held on the same day.