



Company	Aurizon Holdings Limited
Code	AZJ
Meeting	AGM
Date	12 October 2021
Venue	Online
Monitor	Shirley Watson assisted by Alison Harrington

Number attendees at meeting	86
Number of holdings represented by ASA	142
Value of proxies	\$3.1m
Number of shares represented by ASA	0.8m
Market capitalisation	7.18bn
Were proxies voted?	Yes
Pre AGM Meeting?	Yes, with Chairman, Tim Poole

The AGM commenced with an acknowledgement to country by Jay Travers, a descendant of the original owners of the land and a long-time employee of Aurizon. Clear directions for the management of questions and the voting process were covered. The Chairman, Tim Poole, introduced all directors, who were in various locations because of COVID-19.

The Chairman's address began with a strong emphasis on the hard work of the company in protecting the safety and health of its employees. This was especially so during COVID-19 as the company saw this as a collective responsibility – employees are encouraged to become fully vaccinated. He thanked all the Aurizon teams throughout the country for their contribution to the good progress on the key priorities. The chairman stressed the importance of rewarding shareholders with strong returns – dividends were 100% of NPAT for the sixth consecutive year. The Chairman spoke about the company's Climate Strategy & Action Plan and support for keeping the temperature rise to < 2 degrees. In Aurizon's fleet decarbonisation program, there are plans for some battery train trials in 2024.

The CEO also addressed safety issues. With COVID-19 there was reduced exposure, as most employees in Qld, WA and NSW live in local communities; nevertheless, they recognised the mental health impact. It is expected for the Bulk haulage business to double. It is estimated that the return from coal will grow at about 5% pa. George Lippiatt, CFO & Group Executive Strategy gave a very informative presentation of the various scenarios upon which output modelling is based. Under the scenarios, tested modelling indicates average annual free cash flow over 20 years of \$500 - \$650 million for the coal volume outcome.

- ASA asked if Aurizon is looking for growth opportunities or acquisitions and would that impact the current dividend? The Chairman replied, yes, although it is mostly organic growth, it would consider sensible acquisitions. At 100% of NPAT in the 70% to 100% dividend pay-out range and with 2 recent share buybacks the decision had been to return excess capital to shareholders during the last 6 years.
- To the ASA question that although it has operated for the life of the business, what has brought about the large increase in Bulk haulage profitability in the last 4 years. The company put it down to considerable operational improvement of cost base control, extending and retaining the customer base, supply chain efficiency and some acquisitions – such as at Townsville and Newcastle.
- On Cyber security there is a roadmap and strategy and is it reviewed by the Board on a regular basis – there is liaison with Australian Cyber Security and the Department of Home Affairs.

As usual there were the perennial Adani questions. The answer was no direct contact – Aurizon uses its own network and applies the same rules to all operators under its regulatory obligations. There were other question around the alignment of Capex to the decarbonisation, any possible reintroduction of the DRP, and although there was a sound result, what is the Board doing to increase the share price?

The 3 Directors seeking re-election each addressed the meeting. There was only one minor question pertaining to the Resolutions and all were passed by a large majority. The AGM was conducted as a well-planned virtual meeting

The Chairman declared the meeting closed at 3.30pm.