

Seizing today's opportunities and preparing for change

Company/ASX Code	APA Group/APA
AGM time and date	10:30am (AEDT) Thursday, 22 October 2026
Location	Telstra Customer Insights Centre 400 George St Sydney NSW 2000
Registry	MUFG Corporate Markets (AU) Limited
Type of meeting	Hybrid
Monitor	Richard Jackson
Pre-AGM Meeting	Michael Fraser (Chairman) James Fazzino (Chair of Safety and Sustainability Committee) David Lamont (Chair of People and Remuneration Committee) Varya Davidson (Member of the Safety and Sustainability, People and Remuneration, and Nomination Committees) Victoria Somlyay (General Manager, Sustainability) Brad Stevenson (Head of Performance & Reward) Andrew Nairn (General Manager, Investor Relations)

Monitor Shareholding: The individual involved in the preparation of this voting intention has a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Adoption of the Remuneration Report	For
2	Re-election of Director – Nino Ficca	For
3	Re-election of Director – David Lamont	For
4	Grant of Performance Rights to CEO	For
5	Resolutions requisitioned by securityholders 5.a Amendment of Constitution 5.b Amendment of Constitution 5.c Contingent Resolution	Against

2. Summary of Issues and Voting Intentions for AGM

- APA is a financially resilient business due to its healthy financial structure, underpinned by reliable revenues from long term inflation-indexed contracts. Most market commentators agree that APA's excellent long term track record of distribution reliability is unlikely to be threatened soon.
- The company is seizing the growth opportunities available today. Completion of the East Coast Gas Grid Expansion and Brigalow Peaking Power Plant are the key components of their \$3.5bn FY27-FY29 growth capital expenditure pipeline.
- At the same time, the company is working to optimise its position should some of the many additional attractive opportunities move forward, e.g. opportunities related to the Beetaloo gas field in the Northern Territory, gas-powered generation to firm renewables, or data centre-related opportunities.
- Nonetheless APA operates in an operational environment characterised by significant uncertainty in energy market conditions and regulatory settings. Key elements of the regulatory environment are being reviewed, notably the Safeguard Mechanism is under review, an Electricity Services Entry Mechanism is being discussed, and the Federal Government has introduced 'expectations' for data centres. The growth pathway beyond FY30 is uncertain.
- To ensure the Board is well placed to deal with the challenges, Board evolution will prioritise Directors with expertise in energy markets and energy infrastructure.
- Executive pay is well aligned with shareholder value.
- The ASA will vote in favour of the AGM resolutions supported by the Board, while opposing the resolutions requisitioned by securityholders.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

APA recorded a strong financial performance in FY26. Underlying EBITDA increased a healthy 8.3% to \$2,183m which was well above revenue growth due mainly to contributions from new assets yielding \$70m and significant cost reduction across the business totalling \$80m in FY26, well above the \$50m target. The company has guided that in FY27 underlying EBITDA will grow a further 5.4%.

Free cash flow increased 3.2%, materially less than underlying EBITDA, due to rising interest costs and tax payments.

The FY26 distribution increased 1c to 58c, with a similar 1c increase anticipated next year.

\$546m was spent on growth capex in FY26 with the East Coast Gas Grid Expansion and Brigalow Peaking Power Plant being the dominant projects. APA is undertaking a significant growth capex program over FY27 to FY29 with total growth capex of \$3.5bn

planned. Sustaining capex of around \$300m in FY26 will likely be maintained next year. Approximately 35% of the FY27 to FY29 capex program and planned distributions will be debt-funded.

Total drawn debt increased to \$14.23 billion in FY26, although net debt declined to \$12.52 billion. In December 2025 S&P relaxed a key threshold for assessing APA's creditworthiness, reducing the minimum funds from operations to net debt ratio required to retain its BBB credit rating to 8.5% from 9.5%, compared to 11.2% as at 30 June 2026. APA's average debt maturity is 6 years, with 100% of debt at fixed interest rates.

APA has been audited by Deloitte for over twenty years. Given this long tenure, APA wishes to undertake a tender process. APA advised in the pre-AGM meeting that it will proceed when the current controversy around the conduct of some of the major accounting firms has abated so that a sufficient number of qualified candidates are available for a viable tender.

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT (\$m)	234	129	998	287	260
UPAT (\$m)	234	129	119	287	240
Share price (\$)	10.14	8.17	7.99	9.69	11.27
Dividend (cents)	58	57	56	55	53
Simple TSR (%)	31.2	9.4	(11.8)	(9.1)	
EPS (cents)	17.8	9.9	9.4	24.3	20.4
CEO total remuneration, actual (\$m)	4.88	3.68	2.83	2.41	3.00

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

The APA annual report is comprehensive and clear. While a Board Skills matrix is included in the Governance Report, it presents only an aggregated assessment. The Matrix identifies some important areas of relative weakness, notably 'energy infrastructure', 'energy markets' and 'cyber / information technology'. It is noteworthy that only one of the eight Directors has engineering qualifications. In discussions with the ASA, the APA advised that Board evolution will prioritise Directors with expertise in energy markets and the delivery of large-scale infrastructure projects.

Seven of the eight Directors are independent, including the Chair. No Director has more than 2 other NED roles. The Directors' shareholdings are above the ASA targets.

Key people metrics included a modest decline in employee experience from 70% in FY2025 to 68% in FY2026. Safety outcomes improved modestly, with the combined employee and contractor TRIFR decreasing from 2.4 to 2.3, and recordable injuries declining from 20 to 13.

Three of the eight, i.e. 38%, Directors are women. While overall representation of women was 34.2%, 58% of the 25/26 graduate intake were women and 47% of graduates promoted into engineering and technology roles in FY26 were women.

Key events

- Continued implementation of the East Coast Gas Grid Expansion project.
- Partnered with CS Energy to construct the Brigalow 400MW gas peaking power station in Queensland.
- Completed construction of the Sturt Plateau pipeline, linking the Beetaloo gas field to the existing Northern Territory gas pipeline network.
- Progressed preliminary work on further Beetaloo-related opportunities.

Key board or senior management changes

There have been no changes to Board composition over the past year.

The Executive leadership team contracted from 8 to 7 members following the departure of Amanda Cheney. Ms Cheney's legal and governance functions have been transferred to Beth Griggs, who has retained responsibility for regulation and policy.

Jane Thomas, Group Executive People, Safety and Culture will leave APA in December 2026.

Sustainability/ESG

APA's long-term goal is that total operational emissions be net zero by 2050, supported by interim 2030 goals from a FY2021 baseline. APA's investments in operational methane emission reduction, compressor emission reduction, adding renewable generation and battery storage are all positive steps towards this goal.

However, APA acknowledges that the pathways to achieving their long-term goal are uncertain. APA note that the forecast growth in data centres may lead to an initial increase in emissions. In addition, they note that the anticipated growth in gas-powered electricity generation, to firm renewables, may affect the trajectory of the pathway to net zero after 2030.

The foundation of APA's approach to supporting Australia's Paris Agreement commitments is compliance with the Safeguard Mechanism. But not only is the Safeguard Mechanism itself under review, an Electricity Services Entry Mechanism is being discussed, and the Federal Government has introduced 'expectations' for data centres. Conditions in energy markets more broadly also remain uncertain. In this context, the ASA accepts the APA's view that given the "uncertainty associated with market conditions and regulatory settings...it is not currently feasible to provide detailed analysis of APA's decarbonisation pathways post 2030."

APA has provided a detailed 33-page Sustainability Report in accordance with AASB S2. The report includes APA's assessment that the APA has zero vulnerability to climate-related transition risk. The accounting standard does not define 'vulnerability' so APA has reported on the basis that vulnerability arises if scenario analysis results in the identification of a possible asset impairment of more than 15% of asset value. In discussions with the ASA, APA acknowledged that there is some impairment risk. The ASA has highlighted to APA that retail investors would prefer a straightforward approach to communication on sustainability issues.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

An ASA focus issue not otherwise addressed in this report is the strengthening of board oversight of AI and cybersecurity risks. The Board Skills Matrix identified 'cyber / information technology' as the area where Board competency is weakest. While acknowledging that many ASX companies are competing for the limited pool of appropriately experienced Director candidates, this is an area where improvement would be welcome.

4. Rationale for Voting Intentions

Resolution 1 - Adoption of the Remuneration Report (For)

APA's remuneration mix comprises:

- Fixed remuneration (TFR) based on individual skills and experience, benchmarked to ASX-listed companies ranking 25 to 75 by market capitalisation.
- Short-Term Incentive (STI) with a Target of 90% of TFR and Maximum of 135% for the CEO and 50% and 75% respectively for other executives. STI, which is subject to achieving the underlying EBITDA threshold, is assessed annually against a mix of objectives comprising; underlying EBITDA 25%, free cash flow 10%, value creation (which focuses on strategic opportunities and capital investment) 25% and four other areas 10% each.
- Long-Term Incentive (LTI) performance-based remuneration provides an opportunity of up to 170% of TFR for the CEO and 125% for other executives. The LTI is satisfied by the issue of performance rights tested over three years. 50% of LTI is tested against relative total shareholder return (TSR) compared to 20 similar ASX-listed companies mainly Utilities, Energy or REITs, with 50% vesting if TSR is at the peer group median rising to 100% at the 75th percentile and above. 50% of LTI is tested against Return on Capital (ROC), with 50% vesting if ROC is 12.8% rising to 100% at 13.1% and above. These hurdles apply to current LTI grants and differ from those applicable to the FY2024 award assessed in FY2026.

If the minimum-security holding requirement is not met, one-third of actual STI is paid in shares deferred for two years. If the minimum-security holding requirement is met, 100% of STI can be paid in cash.

There were two changes in APA's remuneration mix for FY 26 compared to FY25;

1. The weightings applicable to objectives for the STI were changed following investor feedback. The weighting to underlying EBITDA was increased from 20% to 25%, while the weighting for value creation was decreased from 30% to 25%.
2. The minimum-security holding requirement was increased from 100% to 150% of TFR for the CEO and from 50% to 75% for other KMP.

For FY2026, STI paid was 76.7% of maximum for the CEO and ranged from 76.7% to 80% for other KMPs. The FY2024 LTI award, tested at 30 June 2026, resulted in 96.98% overall vesting. The relative TSR component achieved 93.95% vesting at the 78.57th percentile against a maximum hurdle of the 82.5th percentile, while the ROC component vested in full following a result of 11.74% against an 11.4% maximum hurdle. The strong ROC outcome was supported by APA's successful cost reduction program. Subsequent LTI grants have different performance hurdles, with the minimum ROC hurdle for the FY2026 grant increased to 12.8%.

APA's remuneration mix diverges from the ASA guidelines in two areas.

1. ASA guidelines are that at least 50% of STI is to be paid in equity with a minimum 12-month holding lock. APA's divergence from this guideline is partially mitigated by the enhanced minimum security holding requirement.
2. APA tests LTI over three years compared to ASA guideline of four years.

The ASA supports the remuneration framework adopted by the Board and the ASA will vote all undirected proxies in favour of the resolution.

Resolution 2 - Re-election of Director – Nino Ficca (For)

Nino Ficca, the only Director with Engineering qualifications, has extensive experience in the energy and infrastructure sectors. Mr Ficca is a Director of the AEMO, Australia's independent operator of electricity and gas markets and power systems.

The ASA supports this resolution and will vote all undirected proxies in favour of the resolution.

Resolution 3 - Re-election of Director – David Lamont (For)

David Lamont had a distinguished career including CFO at both BHP and CSL.

The ASA supports this resolution and will vote all undirected proxies in favour of the resolution.

Resolution 4 - Grant of Performance Rights to CEO Adam Watson (For)

This resolution seeks shareholder approval for the grant of 286,318 Performance Rights in FY27 to APA's CEO Adam Watson under the Long-Term Incentive (LTI) performance-based remuneration component of his remuneration. Details of this plan and the reasons for this resolution are given in the Notice of Meeting (pages 11 to 14). The grant of

performance rights is consistent with the Remuneration Report which is the subject of Resolution 1. Given the ASA's support for Resolution 1, it follows that the ASA supports this proposal and will vote all undirected proxies in favour of the resolution.

Resolution 5 - Resolutions requisitioned by securityholders (Against)

5 (a) Amendment of Constitution

5 (b) Amendment of Constitution

5 (c) Contingent Resolution

5(a) and 5(b) propose amendments to the constitutions of APA's two trusts, allowing securityholders to express non-binding opinions or request information about material risks. 5(c) requests disclosure of how APA evaluates the financial resilience of material new gas transmission projects, including under low-demand, low-price, and Paris-aligned scenarios. All three are special resolutions requiring 75% support, and 5(c) is conditional on the first two passing.

While we support appropriate disclosure of material investment risks, we do not consider the proposed constitutional amendments and additional reporting requirements necessary at this stage.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY26	Target ² \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	\$1.700m	28%	\$1.700m	25%
STI - Cash	\$1.530m	25%	\$2.295m	33%
STI – Equity ¹				
LTI	\$2.890m	47%	\$2.890m	42%
Total	\$6.120m	100.0%	\$6.885m	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

¹ On the basis that the CEO meets the minimum-security holding requirement.

²Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.