AUSTRALIAN SHAREHOLDERS' ASSOCIATION

A strong year for Aurizon, but board skills disclosure still lags

Company/ASX Code	**Aurizon Holdings Limited/AZJ**
AGM time and date	**2:00pm Brisbane time Thursday, 22 October 2026**
Location	Karstens Brisbane, Rooms 2407–2409, Level 24, 215 Adelaide Street, Brisbane, and online at meetnow.global/MAJA4RJ
Registry	Computershare Investor Services
Type of meeting	Hybrid (in person and online, with questions and voting available online)
Monitor	Meredith Clarke assisted by Savvas Koutoufides
Pre-AGM Meeting	Yes, with Timothy Longstaff (Chairman) and James Coe (Head of Investor Relations & Market Intelligence)

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

1. How we intend to vote

No	Resolution description	
2	Adoption of Remuneration Report	For
3a	Election of Ms Amanda McMillan OBE as a Director	For
3b	Election of Mr Andrew Adam as a Director	For
3c	Re-election of Ms Samantha Tough as a Director	For
3d	Re-election of Mr Timothy Longstaff as a Director	For
4	Approval of a grant of performance rights to the Managing Director & CEO, Mr Andrew Harding	For
5	Approval of potential termination benefits	For

2. Summary of Issues and Voting Intentions for AGM/EGM

- FY2026 was a strong year. Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) rose 9% to $1,724 million, underlying net profit after tax (NPAT) rose 24% to $433 million, total dividends rose 46% to 23.0 cents and a $250 million on-market buy-back was completed. The share price rose from $3.03 to $4.18, giving a simple total shareholder return (TSR) of about 46% for the year. Importantly for pay alignment, the 2022 Long Term Incentive Award was tested during the year and no part of it vested.
- The remuneration framework does not meet all the ASA guidelines. Only 40% of the short-term incentive (STI) is deferred into equity, whereas ASA looks for at least 50% held for at least 12 months. The Board told us that deferring more of the STI into shares disadvantages executives on tax and weakens the incentive. ASA does

not accept this. Many ASX companies already defer at least half, and our support for future remuneration reports may be at risk if this is not addressed.

- Safety remains a high priority for Aurizon. Serious injuries have been slowly decreasing and there is now a focus on creating engineering solutions to help limit injuries, such as colour coding of hoses and attachments to reduce the incidence of human error.
- The Board skills matrix still does not show the skills of each named director. It shows a set of coloured bars by skill category, with no names and no counts. The Board does not intend to change this.

ASA intends to vote open proxies in favour all resolutions.

See ASA Voting guidelines and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

Aurizon hauls bulk commodities, principally coal, and owns and operates the Central Queensland Coal Network. FY2026 underlying EBITDA of $1,724 million was within guidance, with Network up 8%, Coal up 2% and Bulk up 38%. Return on invested capital improved from 8.1% to 9.5%, free cash flow rose 11% to $573 million and gearing was steady at 57%. Statutory NPAT was $362 million and underlying NPAT $433 million. Earnings per share rose 29% to 25.2 cents on an underlying basis, helped by the cancellation of shares bought back. Guidance for FY2027 is underlying EBITDA of $1,725–$1,775 million with dividends of 23.0–24.0 cents.

Financial performance

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**
NPAT ($m)	362	303	406	324	513
UPAT ($m)	433	348	406	367	525
Share price ($)	4.18	3.03	3.65	3.92	3.80
Dividend (cents)	23.0	15.7	17.0	15.0	21.4
Simple TSR (%)	46	-13	-3	7	8
EPS (cents)	21.1	16.9	22.1	19.9	28.5
CEO total remuneration, actual ($m)	3.818	3.384	4.246	3.748	4.651

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).

NPAT is the statutory result and UPAT the underlying result. EPS is the statutory figure; the underlying figure for FY2026 was 25.2 cents. CEO remuneration for FY2026 is the realised figure disclosed by the company (fixed pay plus the FY2026 STI, with no long-term incentive vesting); the statutory total was $3.948 million. NPAT, UPAT, EPS and CEO

remuneration for FY2022 to FY2024 are carried from our 2025 report. That report showed FY2023 simple TSR as –7%; recalculated from the closing prices and dividends above it is +7%, which is the figure shown.

Governance and culture

The Board is well constructed. After this meeting it will have eight directors: seven independent non-executive directors and the Managing Director & CEO, with an independent Chairman. Women hold three of the seven non-executive seats. Board renewal has been substantial — Russell Caplan retired in August 2025 after 15 years and Tim Poole in January 2026 after more than 10 years, with Timothy Longstaff taking the chair, Amanda McMillan joining in January 2026 and Andrew Adam in July 2026. Tenure and industry experience are now in good shape, and the two longest-serving directors have left the Board.

Board Skills Matrix. The Board has again declined to identify individual directors in the matrix, which ASA raised in 2025, preferring to retain the existing format with coloured bars by category.

Key events

- The Queensland Competition Authority gave a preliminary assessment supporting the UT5+ access undertaking for the Central Queensland Coal Network, proposed to run for ten years from 1 July 2027.
- The Board completed its review of Aurizon Network's ownership and concluded that retaining 100% ownership is most likely to maximise long-term value.
- A $250 million on-market buy-back was completed, with 67.1 million shares bought at an average $3.72 and cancelled — 3.8% of issued capital. Over four years about $1.8 billion has been returned through dividends and buy-backs.
- New Containerised Freight customers were secured with CEVA Logistics and NYK, and BHP Copper South Australia commenced.
- Coal faces reduced contracted tonnes in FY2027.

Key board or senior management changes

Tim Poole retired as Chairman on 15 January 2026 and Timothy Longstaff became Chairman the following day. Russell Caplan retired on 29 August 2025. Amanda McMillan joined the Board on 1 January 2026 and Andrew Adam on 1 July 2026. Ian Wells was appointed Chief Financial Officer & Group Executive Strategy on 7 April 2026, after Greg Long acted in the role, and Chris Peppler became Group Executive Network in August 2025 following Pam Bains' departure. Mr Harding remains Managing Director & CEO.

Sustainability/ESG

Aurizon's sustainability report now sits within the Annual Report and contains mandatory climate disclosures prepared under the accounting standard AASB S2. Deloitte provides reasonable assurance over Scope 1 and Scope 2 emissions and limited assurance over governance, specified strategy disclosures and voluntary Scope 3 emissions — a higher standard of assurance than most companies of this size provide. The company maintains its Climate Strategy and Action Plan, publishes an annual modern slavery statement and targets net zero operational emissions by 2050.

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

Shareholder participation: the AGM is a genuine hybrid meeting. Shareholders can attend, ask questions and vote either in person or online, the meeting is webcast and a recording is published, and all resolutions are decided by poll. This meets ASA's preference in full.

Other matters: Whilst the current Annual Report does not disclose when the external audit was last tendered, a review of past Annual Reports reveals that Deloitte was appointed in 2021 following a vote at the AGM.

4. Rationale for Voting Intentions

Item 2 - Adoption of Remuneration Report (For)

The framework is well designed for a capital-intensive business. The long-term incentive (LTI) is tested over four years with no retesting, and the number of rights is set using the market price at the time of award (a five-day volume weighted average price, or VWAP) rather than a discounted accounting value — the company says plainly that it does not use fair value for this purpose. Three-quarters of the CEO's maximum package is at risk, and he holds shares worth about 6.8 times his fixed pay. On ASA's comparison of executive remuneration, the quantum is not excessive for a company of Aurizon's size and complexity, and the CEO's fixed remuneration of $1,836,000 has not been increased.

Pay outcomes have followed performance. The 2022 LTI Award was tested during FY2026 and nothing vested: relative TSR was below the median of the comparator group, average return on invested capital (ROIC) was 8.5% against a 9.5% minimum, and non-coal EBITDA growth was 11% against a 45% minimum. That is the second year in a row of little or no LTI vesting, and in FY2025 the CEO chose to take no STI at all, even though he was entitled to do so. The company also publishes a realised remuneration table, which ASA welcomes: the CEO realised $3.818 million in FY2026 in a year when shareholders received a 46% return.

Election and re-election of directors. The Board will comprise eight directors after the meeting, seven of them independent, with an independent Chairman and one executive director. No director is close to the twelve-year tenure limit. Our difficulty in assessing the four candidates is the skills matrix, which shows coloured bars by category and does not identify any director, so the assessments below rest on the biographies in the Notice of Meeting. All four candidates are considered independent by the Board and we found nothing adverse in external checks.

Item 3a - Election of Ms Amanda McMillan OBE as a Director (For)

Ms McMillan joined the Board on 1 January 2026 and sits on the Audit, Governance & Risk Management, Safety, Health & Environment and Nomination & Succession Committees. A chartered accountant, she was chief executive of AGS Airports in the United Kingdom and a senior managing director in Macquarie Asset Management's infrastructure team until 2025, and is a director of Perth Airport, Western Sydney International Airport and CHIF Investments. That is a sensible workload and her infrastructure and finance experience suits a regulated network owner. She attended every Board and committee meeting since joining. She held no Aurizon shares at 30 June 2026 and has until January 2032 to meet the minimum shareholding requirement; we would like to see her begin acquiring shares. Supported.

Item 3b - Election of Mr Andrew Adam as a Director (For)

Mr Adam joined the Board on 1 July 2026, after the end of the financial year. He brings three decades in transport and logistics, including chief executive of DP World Australia until 2023 and President of Freight at Pacific National until 2019, and he is chairman of Aries Rail and a director of NSW Ports. His operating experience in rail, ports and intermodal freight is directly relevant to the growth of the Bulk and Containerised Freight businesses, which is where the long-term incentive hurdles now sit, and it adds rail and port operating experience to the non-executive directors. The Board has confirmed that Aurizon has no commercial dealings with Aries Rail or NSW Ports that would bear on his independence. Supported.

Item 3c - Re-election of Ms Samantha Tough as a Director (For)

Ms Tough joined the Board in September 2023 and chairs the People & Remuneration Committee. She is chair of Horizon Power and a director of the Clean Energy Finance Corporation and Rumin8, and her role as Pro Vice Chancellor at the University of Western Australia ended in August 2026, which reduces her commitments. Her background in energy, resources, water and regulated government-owned businesses is relevant to a regulated network. She attended all twelve Board meetings and every meeting of her two committees and holds shares worth about 94% of her annual fees, ahead of the schedule set by the company's policy. Supported.

Item 3d - Re-election of Mr Timothy Longstaff as a Director (For)

Mr Longstaff joined the Board in June 2023 and became Chairman on 16 January 2026. A chartered accountant with a 25-year investment banking career and experience advising government, he brings finance, capital markets and regulatory judgement to a company negotiating a ten-year access undertaking. He attended every Board meeting and every meeting of the three committees he sits on. He holds shares worth about 60% of the Chairman's fee, which is on track against ASA's expectation of roughly 20% of fees a year, and he has been buying. His other commitments — the boards of Inghams and Nine Entertainment, The George Institute and membership of the Takeovers Panel — put him at the upper end of ASA's workload guidance alongside a listed chairmanship taken up only this year, and we will ask him to confirm his capacity. He left the Perenti board in April 2026. Supported.

Item 4 - Approval of a grant of performance rights to the Managing Director & CEO, Mr Andrew Harding (For)

Shareholders are asked to approve 752,459 performance rights with a grant value of $2,754,000, being 150% of Mr Harding's FY2027 fixed remuneration. The number of rights was set by dividing that value by a five-day VWAP of $3.66, so the grant is made at face value rather than a discounted valuation, which is what ASA looks for. The rights are tested over four years from FY2027 to FY2030, there is no retesting, hedging is prohibited, and the dilution is immaterial at about 0.04% of issued capital.

Three hurdles apply: relative TSR against roughly 50 comparable ASX 100 companies (25%), growth in non-coal underlying EBITDA (25%) and average ROIC (50%). All of the vesting scales are disclosed.

The structure satisfies ASA's requirements on face value, period, retesting and disclosure, and the record of the last two years shows the hurdles do bite. We support the grant.

Item 5 - Approval of potential termination benefits (For)

This renews, to the 2029 AGM, the approval ASA supported in 2023, and now also covers deferred STI. On an executive's departure (other than for cause), the Board may leave unvested awards to be tested against their original hurdles or vest them pro-rata on performance to the departure date. Awards lapse on dismissal for fraud or dishonesty. ASA would normally prefer benefits above 12 months' fixed pay to be approved after the event.

We note the value cannot be determined in advance and the Board has agreed to exercise the discretion for Mr Harding if he leaves for "good reason" (Notice of Meeting, p.6). Unlike some broader approvals ASA has opposed, such as Rio Tinto's this year, which covered cash, notice, pension, relocation and settlement payments for several hundred people, this one is limited to the treatment of incentive awards that remain subject to performance. Because any benefit stays tied to performance and the approval is time-limited, we will vote for. We would like future approvals to state a maximum value and to pro-rate retained awards for service. Supported.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FY2027	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.836	37%	1.836	25%
STI - Cash	1.102	22%	1.652	23%
STI - Equity	0.734	15%	1.102	15%
LTI	1.377	27%	2.754	38%
Total	5.049	100.0%	7.344	100%

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

Source: 2026 Notice of Meeting pages 3–5 and the Remuneration Report, pages 27–40 of the 2026 Annual Report. The STI is paid 60% in cash and 40% in performance rights deferred for 12 months. Target assumes an STI outcome at target (100% of fixed remuneration) and half of the maximum LTI vesting; the maximum assumes the STI at 150% of target and full LTI vesting. The LTI is tested over four years on relative TSR (25%), non-coal underlying EBITDA growth (25%) and average ROIC (50%), with no retesting.

There were no changes to the remuneration framework for the CEO in FY2026 and none are proposed for FY2027. Fixed remuneration was unchanged. The company discloses a realised remuneration table as well as the statutory table, and applies a minimum shareholding requirement of one year’s fixed remuneration for the CEO and half a year for other executives.