

apa group  
notice of annual meeting.  
2017



**Australian Pipeline Trust (ARSN 091 678 778)  
and APT Investment Trust (ARSN 115 585 441)**

Friday, 27 October 2017 At 10.30am  
ASX Auditorium, lower ground floor,  
Exchange Square, 18 Bridge Street, Sydney, NSW

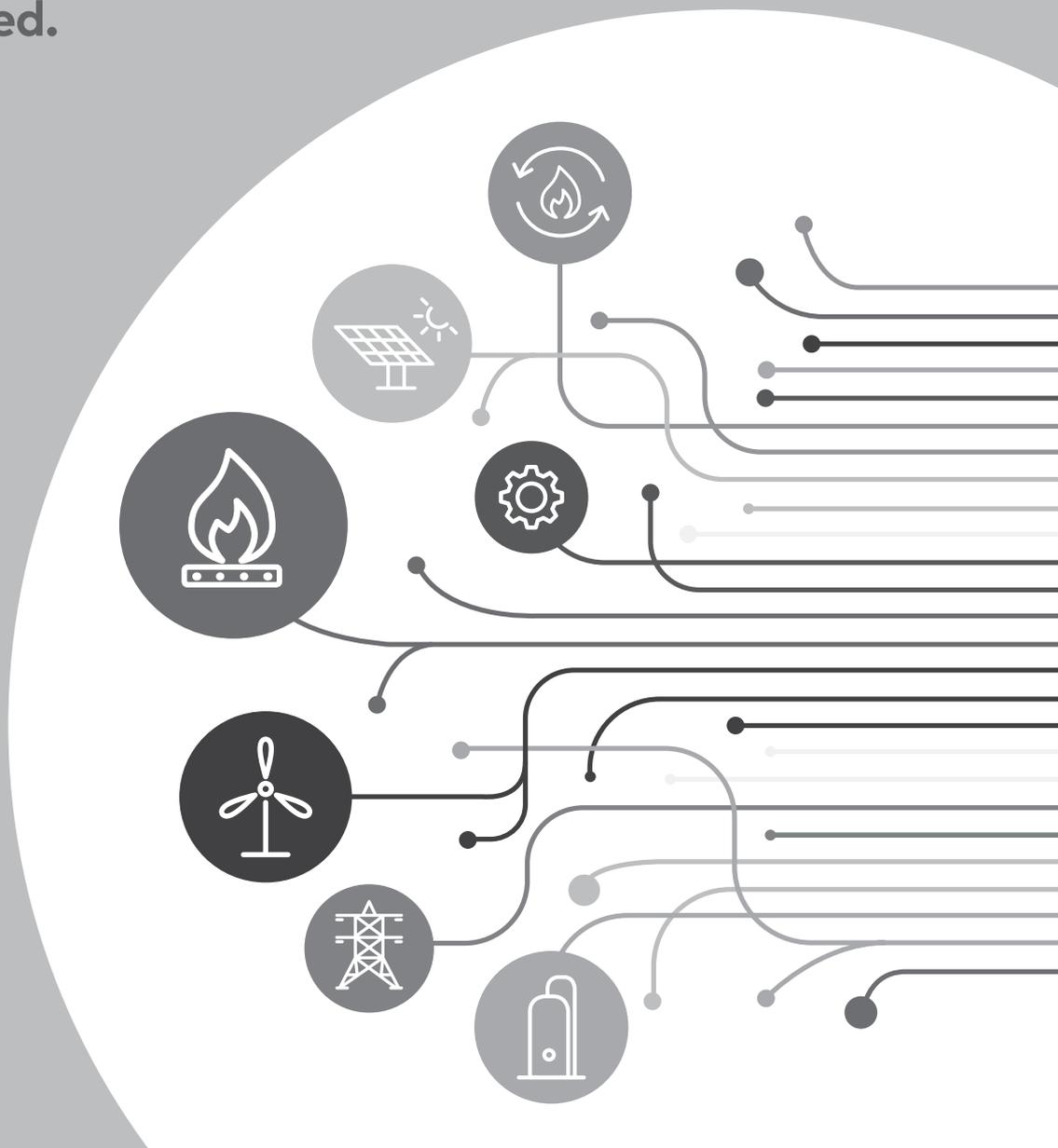
## Important.

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 attend the meeting, please register your vote by completing and returning the proxy form before 10.30am on Wednesday, 25 October 2017.

energy.connected.





22 September 2017

Dear Securityholder,

## 2017 APA Group Annual Meeting

On behalf of Australian Pipeline Limited, the responsible entity of Australian Pipeline Trust and APT Investment Trust, I am pleased to invite you to attend the Annual Meetings of those trusts to be held concurrently on Friday, 27 October 2017 at 10.30am in the ASX Auditorium, lower ground floor, Exchange Square, 18 Bridge Street, Sydney, NSW.

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.

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 2017.

This year, the Board has adopted a Corporate Governance Framework which is designed to be as consistent, as far as practicable, with the best practice procedures of public listed companies in accordance with relevant obligations under the Corporations Act. Pursuant to this framework, Securityholders will be asked to vote on APA Group's Remuneration Report each year, commencing with this year's Remuneration Report for the year ended 30 June 2017. Further details in relation to this item are set out in the Explanatory Notes to the enclosed Notice of Meeting.

Securityholders will be asked at the meeting to approve the nominations of Patricia McKenzie and Michael Fraser as Directors of Australian Pipeline Limited. In accordance with the Constitution of Australian Pipeline Limited, Patricia and Michael are retiring by rotation and, being eligible, are each standing for re-election. Details of their experience and qualifications are provided in the Explanatory Notes to the enclosed Notice of Meeting.

No other nominations of candidates to fill these vacancies were received by the close of the nomination period.

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 using the enclosed form. During the meeting, I will endeavour to answer as many of the more frequently asked questions as reasonably possible.

Seating will be available from 10.00am on the day of the meeting. There are a number of parking stations in the vicinity of the ASX Auditorium and the venue is also served by public transport.

Please bring this document and your proxy form with you if you will be attending the meeting.

If however you are unable to attend, please 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 on Wednesday, 25 October 2017.

We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len Bleasel', written in a cursive style.

**Len Bleasel AM**  
Chairman  
Australian Pipeline Limited

# notice of annual meeting.

Notice is given that meetings 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 concurrently at:

**Time: 10.30am**  
**Date: Friday, 27 October 2017**  
**Place: ASX Auditorium, lower ground floor,  
Exchange Square,  
18 Bridge Street, Sydney, NSW 2000**

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

## 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 2017 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 2.

### 2. Nomination of Patricia McKenzie for re-election as a Director.

Patricia McKenzie retires by rotation as a Director of Australian Pipeline Limited and offers herself for re-election.

Australian Pipeline Limited has nominated Ms McKenzie to be re-elected as a Director of Australian Pipeline Limited and Ms McKenzie, 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 2:

*That the nomination of Patricia McKenzie to be re-elected as a Director of Australian Pipeline Limited be approved.*

### 3. 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 3:

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

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

22 September 2017

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

All resolutions are ordinary resolutions, and will be passed if more than 50% of the votes cast by Securityholders (in person or by proxy) entitled to vote on the resolution are in favour of the resolution.

## 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 Mr Leonard Bleasel AM, Chairman of Australian Pipeline Limited, to act as Chairman of the meeting.

## Right to appoint a proxy

A Securityholder has the right to appoint a proxy to attend 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 on Wednesday, 25 October 2017 as follows:

By delivery: *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](http://www.linkmarketservices.com.au) and follow the prompts and instructions.

## Voting entitlement

Securityholders registered as holders of securities in APA Group as at 7.00pm on 25 October 2017 will be entitled to attend and vote at the meeting (subject to any applicable voting exclusion).

## 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, including the vote on a

company's remuneration report. 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 KMP of APA Group as if APA Group was a listed company. APA Group considers that all members of its Executive Committee and all Directors of APA Group are KMP for the purposes of this Notice of Meeting.

The voting exclusions applicable in respect of the 2017 Annual Meeting of Securityholders are described below.

### Voting Exclusion applicable to Resolution 1

APA Group will disregard any votes cast, in any capacity, on Resolution 1 by or on behalf of a member of APA Group's KMP or their closely related parties, unless the vote is cast:

- as proxy for a person entitled to vote, in accordance with a direction on the proxy form; or
- by the person chairing the meeting pursuant to a proxy appointment which expressly authorises the chair of the meeting to exercise the proxy (even though Resolution 1 is connected with the remuneration of the KMP).

For the purposes of this Notice of Meeting, the following are closely related parties of any member of APA Group's KMP:

- the KMP's spouse and children, and children of the KMP's spouse;
- other close family members; and
- any company, superannuation fund or trust over which the KMP has control.

### 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 Resolution 1 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 Resolution 1 and give the Chairman of the Meeting your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of Resolution 1).

## 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 2017. The Remuneration Report, commencing on page 36 of the APA Group 2017 Annual Report, is also available on the website [www.apa.com.au](http://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, commencing with the Remuneration Report for the year ended 30 June 2017.

The Remuneration Report outlines APA Group's remuneration framework and remuneration outcomes for Directors and the Executive Committee (collectively KMPs) for the year ended 30 June 2017. 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 Patricia McKenzie and Michael Fraser for re-election as Directors of Australian Pipeline Limited

### Retirement and re-election of Patricia McKenzie and Michael Fraser as Directors (by rotation)

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 those who have held office for three years since re-election, must retire from office. They are, however, eligible for re-election. This "retirement by rotation" requirement does not apply to the Managing Director and, in calculating the one third, the Managing Director is excluded. This means that two Directors of Australian Pipeline Limited must retire this year.

The Directors to retire at the 2017 Annual General Meeting of Australian Pipeline Limited are the persons who have been in office the longest since their last election, but as between persons elected on the same day, those to retire may be agreed between themselves.

Accordingly, Ms McKenzie and Mr Fraser will retire as Directors at the 2017 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 11 August 2017 Australian Pipeline Limited lodged with ASX a notice calling for nominations of candidates from Securityholders. Nominations were required to be received by 5.00pm (Sydney time) on 28 August 2017, but none were received within that timeframe.

### Nomination of Patricia McKenzie and Michael Fraser

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 nominated Ms McKenzie and Mr Fraser to fill the vacancies that will arise on their retirement as Directors.

In considering whether to support the re-election of Ms McKenzie and Mr Fraser, 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 Ms McKenzie and Mr Fraser for re-election as Directors of Australian Pipeline Limited, and Securityholders are being given the opportunity to approve those nominations at the meeting.

Each of Ms McKenzie and Mr Fraser is eligible for re-election as a Director and has indicated they wish to seek re-election. Information concerning their qualifications and experience is set out below.

### **Election of Directors**

If Securityholders approve (by ordinary resolution) the nominations of Ms McKenzie and Mr Fraser 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 2017 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 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 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.

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.

Directors' fees payable to each elected Director will be in line with current market rates for appropriately qualified Directors.

## **Resolution 2: nomination of Patricia McKenzie for re-election as a Director**

### **Patricia McKenzie**

LLB FAICD

*Independent, non-executive Director*

Patricia was appointed a Director of Australian Pipeline Limited on 1 January 2011.

Patricia has considerable expertise and experience in energy market regulation and, as a qualified solicitor, extensive corporate legal experience. She is currently Chair of Essential Energy and Healthdirect Australia.

Patricia was formerly a Director of Macquarie Generation, TransGrid and the Australian Energy Market Operator Limited (AEMO), the national energy market operator for electricity and gas, and formerly the Chief Executive Officer of Gas Market Company Limited, the market administrator for retail competition in the gas industry in New South Wales and the Australian Capital Territory.

Patricia is a member of the Health Safety and Environment Committee, a member of the People and Remuneration Committee and a member of the Nomination Committee.

The Board has considered the independence of Ms McKenzie as a Director having regard to the Board's Independence of Directors Policy, and has determined her to be independent.

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

If Securityholders do not approve the nomination of Ms McKenzie, she will not continue to seek re-election as a Director of Australian Pipeline Limited.

## Resolution 3: nomination of Michael Fraser for re-election as a Director

### Michael Fraser

BCom FCPA FTI MAICD

*Independent, non-executive Director*

Michael was appointed a Director of Australian Pipeline Limited on 1 September 2015.

Michael has more than 30 years' experience in the Australian energy industry. He has held 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 People and Remuneration Committee, a member of the Audit and Risk Management Committee and a member of the Nomination Committee.

The Board has considered the independence of Mr Fraser as a Director having regard to the Board's Independence of Directors Policy, and has determined him to be independent.

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

If Securityholders do not approve the nomination of Mr Fraser, he will not continue to seek re-election as a Director of Australian Pipeline Limited.

APA Group's 2017 Annual Report and Sustainability Report are available on our website [www.apa.com.au](http://www.apa.com.au), an alternate way to access our reports and help the environment.

