



13 May 2019

ASX ANNOUNCEMENT

APA Group (ASX: APA)

APA APPOINTS NEW CEO AND MANAGING DIRECTOR

APA Group (ASX:APA) announced today that Rob Wheals, currently APA's Group Executive Transmission, has been appointed the next Chief Executive Officer and Managing Director of APA Group. His appointment will take effect 6 July 2019.

Mr Wheals succeeds Mick McCormack who will step down from his role and retire from APA on 5 July 2019.

APA Chairman Michael Fraser said, "After an extensive selection process, the Board is very pleased to announce Rob Wheals as APA's new CEO and Managing Director. Rob is a strategic thinker with 'hands on' operating experience and a strong track record in delivering results. Rob is passionate about delivering for the customer and understands the importance of culture in driving business performance. The appointment of an internal candidate is testament to the quality of APA's senior leadership team."

Commenting on his appointment Mr Wheals said, "It is a great honour to not only lead APA, but to do so following the outstanding leadership of Mick McCormack. I am picking up the baton of a business that is in a strong position. The Company's focus remains on creating value for Securityholders through leveraging its asset portfolio, skills and strong balance sheet."

In making the announcement, Mr Fraser acknowledged the long-standing contribution of Mick McCormack. "Under Mick's leadership, APA has grown to be one of Australia's great business success stories. Mick has been an outstanding leader helping to grow APA to an ASX50 listed business with over 1,800 employees and a market capitalisation today of approximately \$12 billion."

Mr McCormack said of the appointment of Mr Wheals, "I am very pleased to be able to hand over the reins to Rob as an internal appointment. I have seen Rob evolve as a leader over the last decade and he has the right mix of smarts, integrity and humility to lead the APA team."

Details of Mr Wheals' key terms of employment as Chief Executive Officer and Managing Director are set out below and a short biography is provided at the end of this announcement.

Summary of material terms of Mr Wheals' executive services agreement:

Role and Directorships	Chief Executive Officer and Managing Director, APA Group Mr Wheals will be appointed to the boards of Australian Pipeline Limited and APT Pipelines Limited
Commencement Date	6 July 2019
Term	No fixed term. Ongoing unless terminated by either party in accordance with the services agreement (see below)
Total Fixed Remuneration (TFR)	\$1,600,000 per annum (inclusive of superannuation)

Minimum Securityholding Requirement	Mr Wheals will be subject to a minimum securityholding requirement whereby he must build his securityholding in APA Group to be equivalent to 100% of his TFR
Participation in New Incentive Arrangements	<p>APA Group is developing new short term incentive (STI) and long term incentive (LTI) arrangements, the terms and operation of which are at the discretion of the Board. Mr Wheals is eligible to participate in these new incentive plans for FY2020.</p> <p>STI arrangements</p> <p>Mr Wheals will be eligible to receive an STI award with a target value of 60% of TFR (and a maximum value of 90% of TFR), subject to performance against annual performance targets. It is intended that:</p> <ul style="list-style-type: none"> • initially, the STI award will be delivered two-thirds in cash and one-third in APA Group securities subject to disposal restrictions for a period of two years from the date of grant, or the date on which Mr Wheals first meets the minimum securityholding requirement (whichever is earlier); and • once Mr Wheals has met the minimum security holding requirement, future STI awards will not include a deferred component and will be paid in cash. <p>LTI arrangements</p> <p>Mr Wheals will be eligible to receive an LTI award of 150% of TFR, subject to performance over a three year period. It is intended that:</p> <ul style="list-style-type: none"> • the LTI award will be delivered as rights to receive APA Group securities, subject to relative total shareholder return and EBITDA/funds employed performance hurdles tested over three years; and • the rights will vest in three equal tranches, with the final two tranches vesting one and two years after the end of the performance period, respectively (ie the fourth and fifth year after grant).
Effect on Existing Incentives	<p>Mr Wheals is entitled to a number of incentive awards which are currently on foot as part of his existing employment arrangements, as outlined in the FY2018 Remuneration Report. These awards will not be impacted.</p> <p>Mr Wheals is also entitled to a transitional long term incentive award for the FY2020 performance period under APA Group's existing incentive scheme. The award will be based on his existing TFR as Group Executive Transmission plus 3%. This award is being provided to ensure a smooth transition from APA Group's existing incentive vesting schedule to the anticipated vesting schedule for the proposed new LTI.</p>
Termination of Employment, notice Period and Termination Payments	<p>Either party may terminate the agreement by providing at least 9 months' written notice to the other party.</p> <p>Mr Wheals may be required to serve out the whole or part of the notice period, or be paid in lieu of all or part of the notice period at the Board's discretion.</p> <p>Mr Wheals is entitled to receive a payment equivalent to 9 months' TFR (instead of a notice period or payment in lieu of notice), where he terminates the services agreement due to his redeployment to another role within APA Group or a reduction in his TFR.</p>

Restraints

A 9 month restraint provision applies.

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Company Secretary
Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating in excess of \$20 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, apa.com.au

Biography

Robert (Rob) Wheals



Rob joined APA in 2008 as General Manager Commercial to manage the commercial function of APA's transmission business, which includes over 15,000 kilometres of gas transmission pipelines, storage and processing facilities. In 2012, Rob was appointed Group Executive Transmission, responsible for approximately 85% of APA's earnings before interest, tax and depreciation. In this role, Rob is responsible for the commercial, operational and safety performance of APA Group's transmission and gas storage assets.

Rob has a deep understanding of the Australian energy market and the challenges facing Australia today and into the future, in particular the challenge of balancing sustainable lower emissions energy with reliable and affordable energy for end users.

Prior to joining APA, Rob was General Manager of Strategy at AAPT in Sydney. He has over 25 years' experience in Australia and internationally in energy infrastructure and telecommunications across roles in operations, finance, commercial, strategy, infrastructure investments, regulatory and mergers and acquisitions.

Rob has a Bachelor of Commerce Degree, is a Chartered Accountant and a Graduate Member of the Australian Institute of Company Directors.