

REMUNERATION REPORT

for the year ended 30 June 2015

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Securityholders,

On behalf of the Board and the Remuneration Committee, I am pleased to present APA's Remuneration Report for the financial year ended 30 June 2015.

FY2015 was a year of strong performance for securityholders, with APA continuing to deliver superior market returns and further strengthen the balance sheet. FY2015 saw a successful major acquisition, expansion in assets through major capital works, business and technology improvements, improved safety performance, average contract duration extensions and excellent financial returns.

Changes to executive remuneration framework

As flagged in last year's report, for this year the measurement period for total securityholder return ("TSR") in the long term incentive ("LTI") plan was extended to three years, to more closely reflect the long-term nature of APA's business cycle. In addition, Total Fixed Remuneration ("TFR") for the CEO/MD and Senior Executives has increased this year as a function of APA's continued significant growth in size relative to other Australian Stock Exchange (ASX) listed companies. As part of our conservative management of TFR and to maintain a market competitive remuneration package, APA's positioning policy is for the TFR quantum to be at least the median against comparable ASX listed companies.

In order to ensure our executive remuneration structure is aligned with APA's strategic outlook and remains market competitive, the Board has undertaken an independent remuneration framework review. Overall, we concluded the framework is aligned with our business strategy and model but that the following improvements would be implemented. The Board approved the introduction of a minimum securityholding policy for the Chief Executive Officer and Managing Director ("CEO/MD"), Senior Executives and all the other participants of the LTI plan. In addition the Board has approved the extension of the performance measurement period of normalised Earnings Before Interest, Tax, Depreciation and Amortisation divided by Funds Employed ("EBITDA/FE") for the LTI plan to three years (to be effective from FY2016), to strengthen the alignment of management and securityholder interests. For more information on our executive remuneration framework and how it supports securityholder value, please see section 3 of this report.

This year's remuneration report

The Board is committed to transparency and strong governance. We recognise and welcome securityholders' interest in APA, including understanding our remuneration strategy and outcomes. This year, we have substantially updated and expanded our remuneration report to provide information we believe securityholders need to make informed decisions. While, as a registered managed investment scheme listed on the ASX, APA is not covered by the remuneration reporting requirements of the *Corporations Act 2001*, we have followed a similar format, as we recognise this will be familiar and understandable to many of our securityholders. We also present remuneration information on an accrual basis rather than a paid basis, to better allow securityholders to reconcile amounts awarded for the period with APA's performance in the period.

We welcome your feedback on the report and its contents, and look forward to your attendance at our FY2015 Annual General Meeting.



John Fletcher
Chairman of the Remuneration Committee

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

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1. What this report covers

This report details the remuneration arrangements for non-executive Directors including the Key Management Personnel (“KMP”) listed below. These are the people with authority and responsibility for planning, directing and controlling the major activities of APA, directly or indirectly, including both non-executive Directors and executives (executive Director and senior executives).

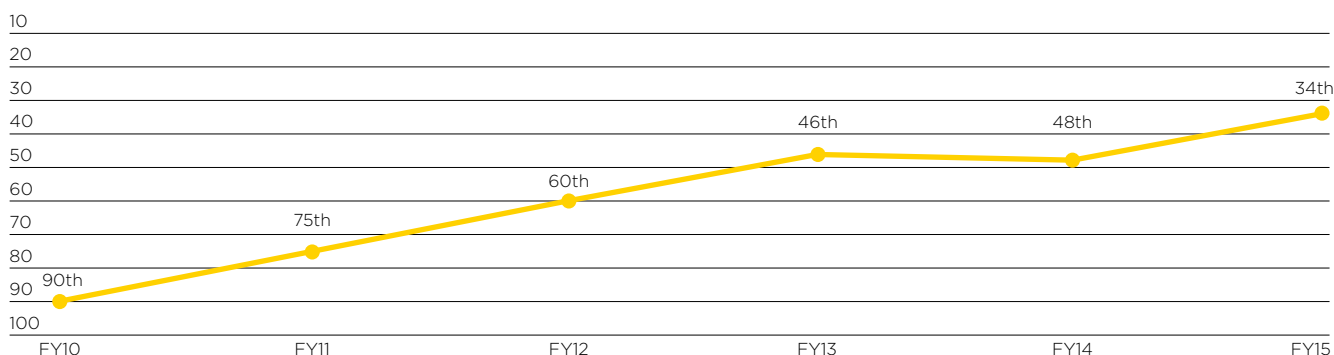
Name	Role	Duration of appointment
I) Non-executive directors		
Leonard Bleasel AM	Chairman of APA Group	Full year
Steven Crane	Member of Audit and Risk Management Committee and Remuneration Committee	Full year
John Fletcher	Chairman of Remuneration Committee and member of Audit and Risk Management Committee	Full year
Russell Higgins AO	Chairman of Health Safety and Environment Committee and member of Audit and Risk Management Committee	Full year
Patricia McKenzie	Member of Health Safety and Environment Committee and Remuneration Committee	Full year
Robert Wright	Chairman of Audit and Risk Management Committee and member of Health Safety and Environment Committee	Full year
II) Executive director		
Michael McCormack	Chief Executive Officer and Managing Director (“CEO/MD”)	Full year
III) Senior executives		
Peter Fredricson	Chief Financial Officer (“CFO”)	Full year
Ross Gersbach	Chief Executive Strategy and Development	Full year
Robert Wheals	Group Executive Transmission	Full year
John Ferguson	Group Executive Networks	Full year
Kevin Lester	Group Executive Infrastructure Development	Full year
Mark Knapman	Company Secretary	Full year
Peter Wallace	Group Executive Human Resources	Full year

The named persons held their current positions for the whole of the financial year. There have been no changes to KMP between the end of the financial year and the date this report was authorised for issue.

2. Remuneration outcomes and APA performance

One of the key factors in determining the remuneration position of APA executives is market relativity, and within Australia, ranking on the ASX200 on market capitalisation is the most commonly used benchmark. APA Group has delivered strong shareholding returns, sound financial performance and significant organisational growth year on year. This, together with the Board’s desire to attract and retain a first class management team, has driven commensurate growth in remuneration levels in APA.

APA MARKET CAPITALISATION RANK AGAINST ASX200



REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

2.1 Executive remuneration awarded FY2015

As part of our commitment to greater transparency and to better reflect the pay for performance relationship, the table below sets out remuneration earned by APA Executives in FY2015 and FY2014 on an accrual basis for the period rather than remuneration received during the period. For instance, Short Term Incentive ("STI") values in the table below reflect STI earned in FY2015 but are due to be paid in the next financial year. This differs from APA's approach in the FY2014 remuneration report where STI reflected cash paid in FY2014 (i.e. September 2014), but earned in FY2013.

Executive Director and Senior Executives	Total Fixed Remuneration ("TFR") \$	Awarded STI ¹ \$	Allocated LTI ² \$	Other ³ \$	Awarded in FY2015	Awarded in FY2014
					Total \$	Total \$
Michael McCormack CEO/MD	1,535,000	1,609,447	1,647,727	-	4,792,174	3,857,979
Peter Fredricson CFO	780,000	561,600	559,650	202,000	2,103,250	1,823,444
Ross Gersbach Chief Executive Strategy and Development	823,000	589,844	590,503	228,666	2,232,013	1,875,835
Robert Wheals Group Executive Transmission	590,000	408,162	423,325	-	1,421,487	1,125,803
John Ferguson Group Executive Networks	524,000	361,560	375,970	-	1,261,530	1,031,199
Kevin Lester Group Executive Infrastructure Development	479,000	311,757	343,683	-	1,134,440	878,714
Mark Knapman Company Secretary	509,000	260,406	264,461	-	1,033,867	872,659
Peter Wallace Group Executive Human Resources	532,000	361,893	381,710	-	1,275,603	967,288
	5,772,000	4,464,669	4,587,029	430,666	15,254,364	12,432,921

1) Awarded STI represents the amounts earned by the executives during the reporting period and are due to be paid in September 2015 as they are dependent on approval by the Board and having the signed audited annual accounts.

2) Allocated LTI represents the value of reference units that were earned by the executives during the reporting period. Reference units will be allocated in August 2015 as they are dependent on the approval by the Board and the release of APA Group's annual results to the ASX.

3) Other represents the last payment of a loyalty and performance bonus made to Peter Fredricson and Ross Gersbach. The bonus was paid out in three annual cash instalments (commencing in April 2012) with the last payment made in April 2015 (see section 4 for further detail).

2.2 APA performance and incentive plan outcomes FY2015

Strong performance against all major metrics has been achieved again in FY2015. The Group's superior performance led to strong at-risk remuneration outcomes. More detail on the link between APA performance and executive remuneration outcomes is provided below.

Five year snapshot of APA performance

The following table provides a summary of APA's financial performance over the last five financial years. Included below are financial metrics related to incentive plan performance measures and additional disclosures reflecting APA's earnings and how this impacts securityholder returns.

Year ended 30 June	FY2015	FY2014	FY2013 ¹	FY2012	FY2011
EBITDA before significant items (\$m)	822.3	747.3	661.9	535.5	489.6
Profit after income tax and non-controlling interests after significant items (\$m)	559.9	343.7	295.1	130.7	108.5
OCFPS before significant items (cents) ²	54.8	50.8	56.0	52.5	52.6
Earnings per security - reported (cents) ²	56.3	39.7	38.2	20.4	19.7
Distribution per security (cents)	38.0	36.3	35.5	35.0	34.4
Closing security price at 30 June (\$)	8.24	6.89	5.99	4.99	4.07

1) The balances for FY2013 have been restated for the effect of applying accounting standard AASB 119: *Employee Benefits*.

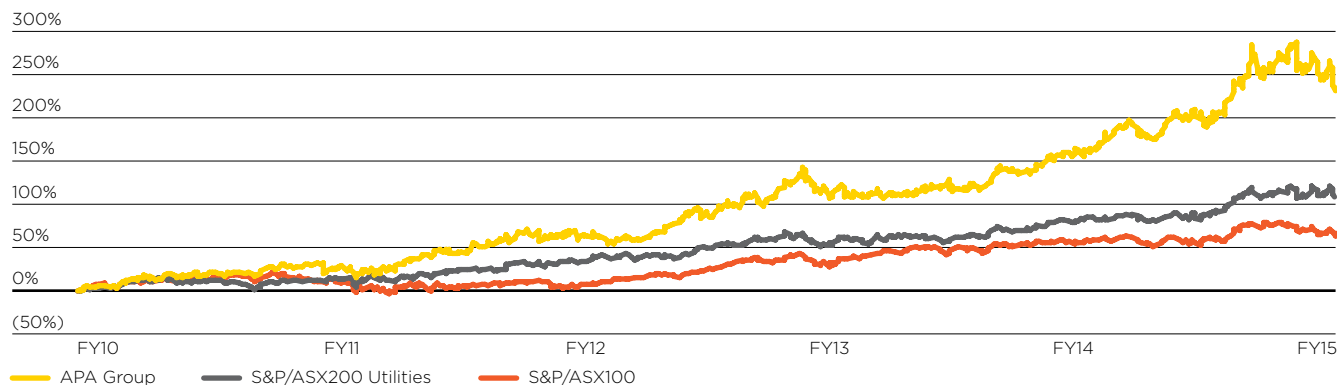
2) APA issued new ordinary securities between 23 December 2014 and 28 January 2015. The issue was offered at \$6.60 per security, a discount to APA's closing market price of \$7.67 per security on 9 December 2014, the last trading day before the record date of the entitlement offer of 15 December 2014. The number of securities for the current and prior period (FY2014) has been adjusted in accordance with the accounting principles of AASB 133: *Earnings per share* following the discounted rights issue.

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

The chart below illustrates the movement in APA's return index over the last five financial years against the S&P/ASX 100 and S&P/ASX 200 Utilities return indices. A return index reflects the theoretical growth in value of a security holding over a specified period, assuming dividends are re-invested to purchase additional units at the closing price applicable on the ex-distribution date.

PERCENTAGE CHANGE IN RETURN INDEX FROM BASE



Link between APA performance and awarded STI

STI is an annual cash-settled incentive subject to 12 month financial and non-financial performance. STI funding is dependent on normalised OCFPS, a measure of the average cash amount generated by the business for each stapled security issued (typically excluding such things as significant items). This measure is directly linked to APA's strategic goal of increasing cash flows over the medium term.

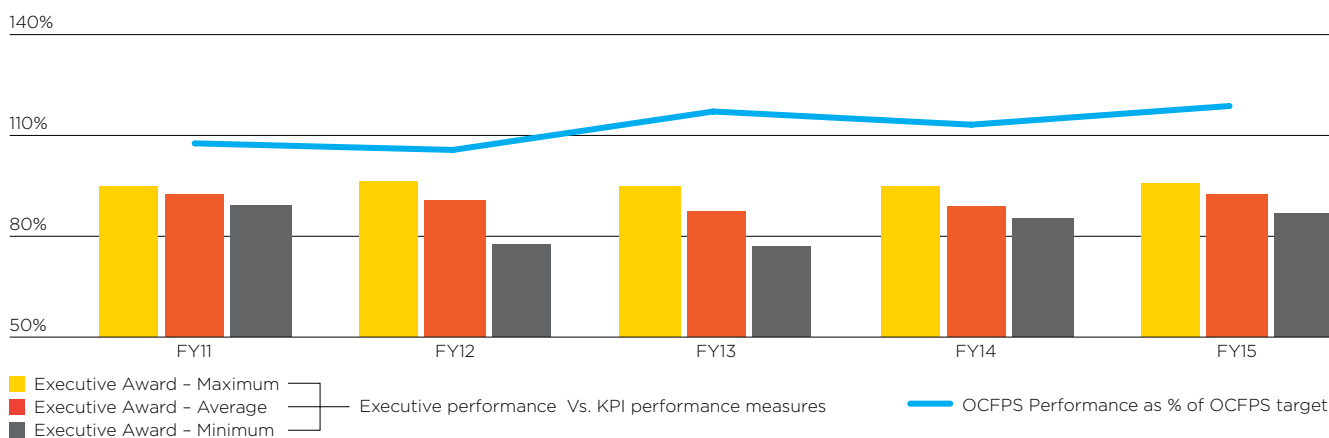
Executives are awarded an STI only if OCFPS is above the threshold level of performance set by the Board. OCFPS therefore acts as a gateway for awards under the STI plan. OCFPS is also the mechanism through which the aggregate amount available for STI payments is limited, ensuring strong alignment between individual performance and APA's ability to pay.

STI awarded is subject to Executives satisfying their performance against a balanced scorecard of pre-determined APA business unit and personal objectives.

Executive STI Awarded	FY2015	FY2014	FY2013	FY2012	FY2011
Executive Award - Maximum	96.0%	95.0%	95.0%	96.5%	95.0%
Executive Award - Average	92.6%	89.2%	87.2%	90.8%	92.5%
Executive Award - Minimum	86.8%	85.3%	77.0%	77.5%	89.5%
OCFPS Performance as % of OCFPS target	118.9%	113.1%	117.2%	105.6%	107.6%

The chart below illustrates how executive STI outcomes align with performance against the key business metric of OCFPS.

STI PERFORMANCE AND EXECUTIVE AWARDS



STI outcomes during FY2015

For FY2015, the STI outcomes for executives, as a % of maximum opportunity, are set out in the table below:

Executives	STI earned		STI forfeited	
	%	\$	%	\$
Michael McCormack	93.2%	1,609,447	6.8%	117,428
Peter Fredricson	96.0%	561,600	4.0%	23,406
Ross Gersbach	95.6%	589,844	4.4%	27,406
Robert Wheals	92.2%	408,162	7.8%	34,338
John Ferguson	92.0%	361,560	8.0%	31,440
Kevin Lester	86.8%	311,757	13.2%	47,493
Mark Knapman	94.2%	260,406	5.8%	16,033
Peter Wallace	90.7%	361,893	9.3%	37,107

Link between APA performance and awarded LTI

LTI is a cash-settled incentive subject to two APA measures – Relative TSR (three year rolling average performance against S&P/ASX 100 companies) and EBITDA/FE.

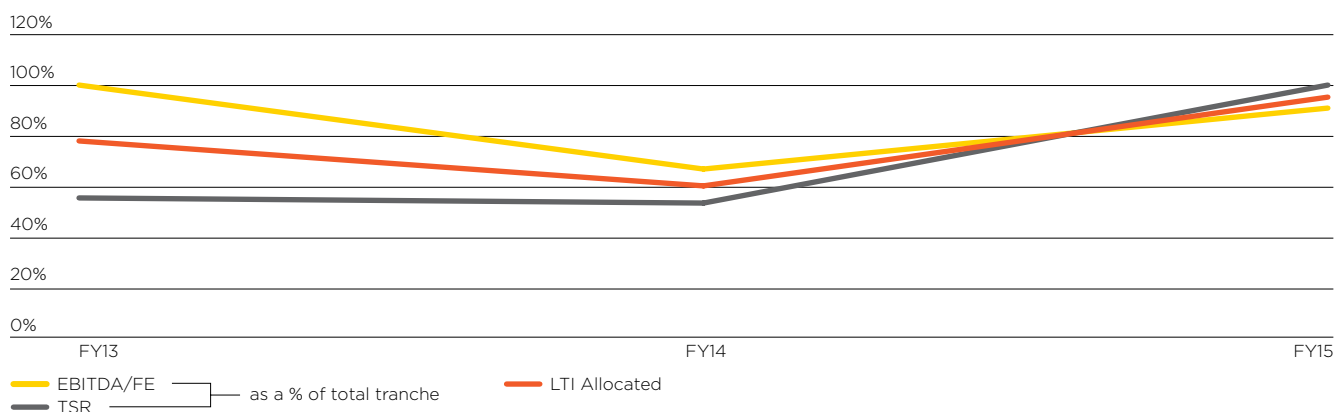
Both measures are weighted equally and are linked to building securityholder wealth. Relative TSR provides the most direct measure of securityholder return and reflects an investor's choice to invest in APA or direct competitors. Security price growth is underpinned by earnings growth and EBITDA/FE is based on the integrity of earnings performance against funds employed which provides a measure of how efficiently the assets are being deployed.

The chart below presents APA's TSR performance relative to S&P/ASX 100 companies (for FY2013 and FY2014 based on TSR end of year rank and for FY2015 based on 3 year rolling average) and EBITDA/FE as a function of improvements to historical actual.

LTI awards as a percentage of maximum opportunity:

	EBITDA/FE	TSR	LTI Allocated
FY2013	100.0%	55.4%	77.7%
FY2014	66.7%	53.2%	59.9%
FY2015	90.8%	100.0%	95.4%

LTI PERFORMANCE AND EXECUTIVE AWARDS



LTI outcomes during FY2015

For FY2015, the LTI outcomes for executives are set out in the table below:

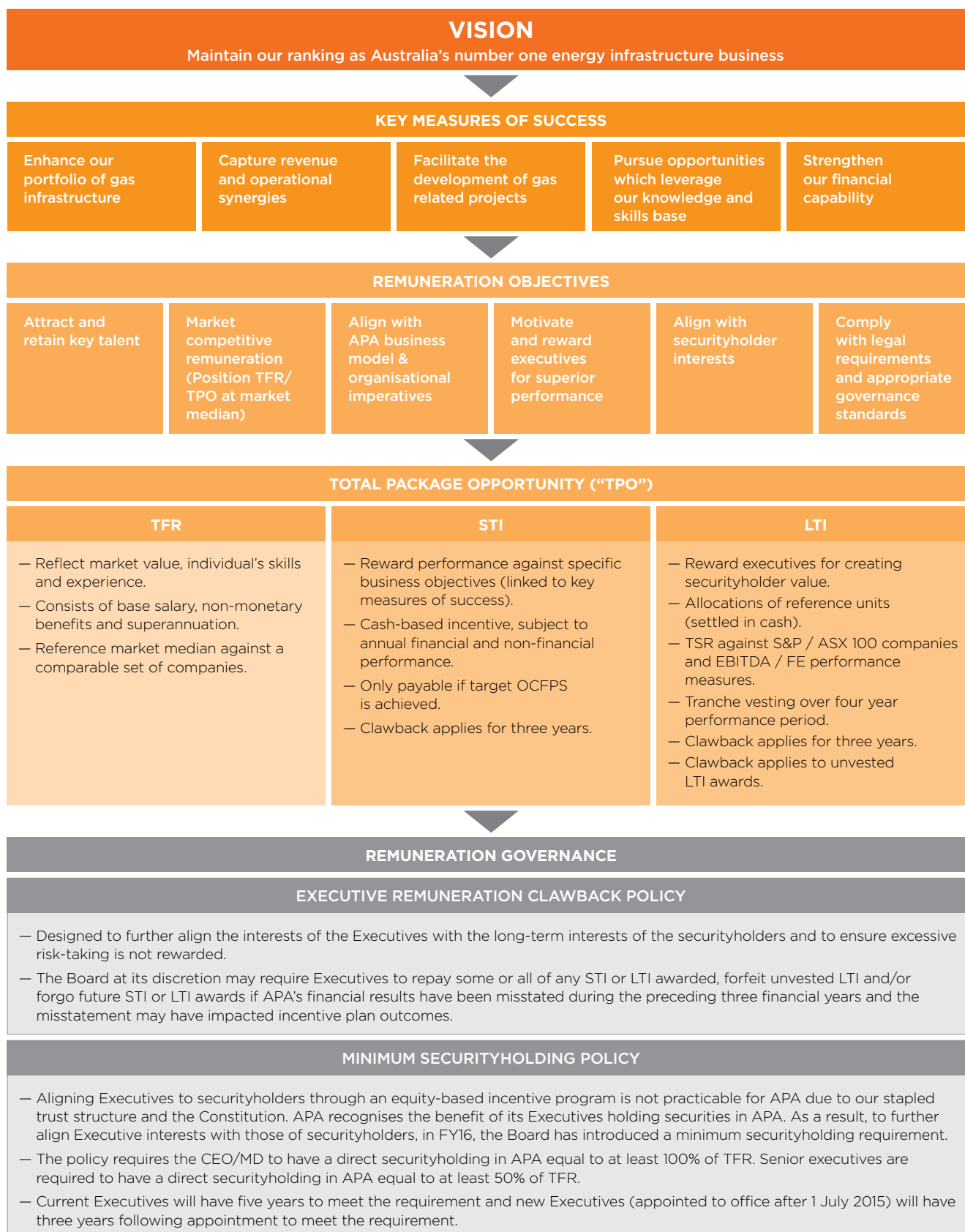
Executives	LTI allocated	LTI forfeited
	\$	\$
Michael McCormack	1,647,727	79,148
Peter Fredricson	559,650	25,350
Ross Gersbach	590,503	26,747
Robert Wheals	423,325	19,175
John Ferguson	375,970	17,030
Kevin Lester	343,683	15,567
Mark Knapman	264,461	11,978
Peter Wallace	381,710	17,290

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

3. Executive remuneration arrangements

3.1 Alignment of remuneration strategy with business strategy



REMUNERATION REPORT CONTINUED

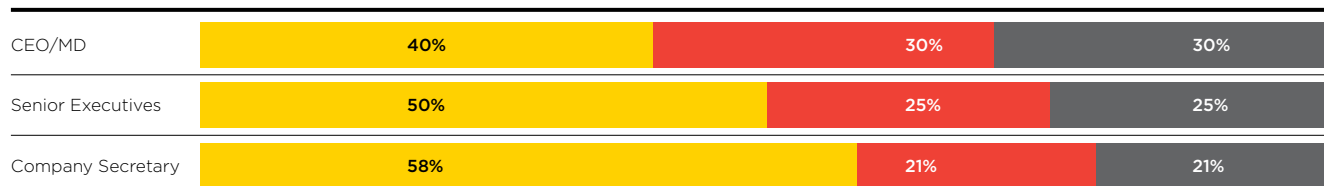
for the year ended 30 June 2015

3.2 Changes to the executive remuneration framework during FY2015

As noted in last year's report, the measurement period for TSR in the long term incentive plan was extended to three years in FY2015, to more closely reflect the long-term performance of APA. The Board has also approved the introduction of a minimum securityholding policy and the extension of the EBITDA/FE performance measurement period to three years (to be effective from FY2016), to strengthen the alignment of management and securityholder interests.

3.3 Approach to setting remuneration

Each executive's TPO is dependent on their role in the organisation and their capacity to influence outcomes. APA's executive remuneration is structured as a mix of fixed remuneration and 'at risk' components (STI and LTI). The equal emphasis on short and long-term performance (i.e., through STI and LTI awards) ensures executives are approximately rewarded for delivering sustained APA performance. The proportion of fixed versus 'at risk' remuneration varies between roles within APA, reflecting the different capacity of executives to influence APA's operational performance and returns to securityholders.



■ TFR as a % of TPO ■ Target STI as a % of TPO ■ Target LTI as a % of TPO

3.4 Remuneration Components

TFR

TFR is reviewed annually and is determined by reference to independent external remuneration benchmarking information, taking into account an individual's responsibilities, performance, qualifications and experience. APA's policy is to position TFR at least the median against comparable ASX listed companies.

STI

The table below sets out the key elements of the executive STI plan.

STI plan element	Description								
STI opportunity	STI opportunity is expressed as a percentage of TPO and varies by role. Target STI opportunities are set out in the table below. Maximum STI is 150% of target STI opportunity.								
	<table border="1"> <thead> <tr> <th>Participant</th> <th>Target STI as a % of TPO</th> </tr> </thead> <tbody> <tr> <td>CEO/MD</td> <td>30%</td> </tr> <tr> <td>Senior Executives</td> <td>25%</td> </tr> <tr> <td>Company Secretary</td> <td>21%</td> </tr> </tbody> </table>	Participant	Target STI as a % of TPO	CEO/MD	30%	Senior Executives	25%	Company Secretary	21%
Participant	Target STI as a % of TPO								
CEO/MD	30%								
Senior Executives	25%								
Company Secretary	21%								
Performance gateway	OCFPS acts as a gateway for awards under the STI plan. STI opportunity is only realisable if the OCFPS threshold level of performance set by the Board is met (i.e., the "gate opens").								
Plan funding	Provided the OCFPS threshold is met, the STI opportunity available may be modified based on the level of OCFPS performance achieved.								
Performance measures	Once the "gate opens" and is funded, STI awards are subject to performance against individual KPIs based on a balanced scorecard of APA-wide, business unit and personal objectives covering: — <i>Financial measures</i> : cost control, revenue and cash generation and capital expenditure management. — <i>Non-financial measures</i> : health, safety and environment targets, project delivery and reinforcement of our ethical and values-based culture.								
Timing and delivery	All STI awards are paid in cash, usually in September of the new financial year, following the completion of the audit of annual accounts.								
Clawback	The Board in its discretion may determine that some, or all, of an executive's STI award is forfeited in the event of misconduct or of a material misstatement in the year end accounts in the preceding three years.								
Cessation of employment	If a participant resigns or is dismissed (with or without notice), all unvested STI awards are forfeited. If an employee leaves for any other reason, an STI award will be paid out based on the proportion of the period that has passed and performance at the time of cessation (subject to Board discretion).								
Change of control	If a change of control occurs, an STI award will be paid out based on the proportion of the period that has passed at the time of change of control (subject to Board discretion).								

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

LTI

The table below sets out the key elements of the executive LTI plan.

LTI plan element	Description								
Award vehicle	<p>As a stapled security and under our Constitution, the use of actual securities in the LTI plan would not be practicable. Instead, APA operates a reference unit incentive plan to create alignment with securityholders.</p> <p>Reference units exactly mirror the performance of APA securities and are settled in cash. To further align executives and securityholders, APA has introduced a mandatory securityholding policy, effective from FY2016, requiring executives to hold a substantial number of securities in APA (see page 28 for further detail).</p> <p>Reference Units are valued at allocation based on the 30 trading day volume weighted average market price ("VWAP") of an APA security immediately prior to the opening of the APA security trading window. The window follows the announcement of APA's annual financial results to the ASX.</p>								
LTI opportunity	<p>LTI opportunities for each participant are set as a percentage of TPO, vary by role and are shown on page 29. Maximum LTI is 150% of target opportunity.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Participant</th> <th style="text-align: left;">Target LTI as a % of TPO</th> </tr> </thead> <tbody> <tr> <td>CEO/MD</td> <td>30%</td> </tr> <tr> <td>Senior Executives</td> <td>25%</td> </tr> <tr> <td>Company Secretary</td> <td>21%</td> </tr> </tbody> </table>	Participant	Target LTI as a % of TPO	CEO/MD	30%	Senior Executives	25%	Company Secretary	21%
Participant	Target LTI as a % of TPO								
CEO/MD	30%								
Senior Executives	25%								
Company Secretary	21%								
LTI allocation	<p>The actual individual LTI allocation is determined at the completion of the financial year based on TSR performance against the S&P/ASX100 comparator group and EBITDA/FE performance.</p>								
Performance measures and targets	<p>Awards are subject to two equally weighted measures: Relative TSR and EBITDA/FE.</p> <p>Relative TSR</p> <ul style="list-style-type: none"> – TSR measures the percentage change in security price, plus the value of dividends or distributions received during the period, assuming all dividends and distributions are re-invested into new securities. – APA Group's TSR is measured relative to a peer group comprising of S&P/ASX 100 constituents and is measured over three financial years. – Relative TSR has been selected as an LTI performance measure as it provides the most direct measure of securityholder return and reflects an investor's choice to invest in APA or direct competitors. Executives only derive value from the TSR component of the LTI plan if APA's performance is at least at the median of S&P/ASX 100 companies over a three year period. <p>EBITDA/FE</p> <ul style="list-style-type: none"> – EBITDA/FE reflects Earnings Before Interest, Tax, Depreciation and Amortisation divided by adjusted Funds Employed. EBITDA/FE hurdle is set as a percentage growth compared to budget and has been set to reflect improvement on the prior financial year. The Board determines the EBITDA/FE target each year through the rigorous budget setting process to improve the capital efficiency of the organisation. – EBITDA/FE has been selected as an LTI performance measure as it helps determine the operating cash flow leverage being achieved based on the operating assets available to the business. It is a longer term performance measure based on the integrity of earnings performance against funds employed. 								
Retesting	<p>There is no retesting of the allocation.</p>								
Timing and delivery	<p>An LTI allocation vests in three equal instalments over the three financial years following the allocation, with the initial one-third vesting at the end of the first financial year following the first award, one-third at the end of the second financial year and one-third at the end of the third financial year.</p> <p>Upon vesting, the LTI is delivered in cash. The cash payment is equal to the number of units vesting on the vesting date multiplied by the 30 trading day VWAP of APA securities immediately prior to the opening of the APA security trading window, following the announcement of APA's annual financial results to the ASX.</p> <p>From FY2016, APA will require executives to hold a number of APA securities. Executives may apply vested LTI amounts to the purchase of securities to fulfil the securityholding requirement.</p>								
Restrictions	<p>LTI allocations do not entitle participants to vote at securityholders meetings nor to be paid distributions. No options or other equity instruments are issued to APA employees or non-executive directors under the LTI plan.</p>								
Cessation of employment	<p>If a participant resigns or is dismissed (with or without notice), all unvested units are forfeited. If an employee leaves for any other reason, the Board determines the number of units which will lapse or are retained, subject to vesting on the original schedule.</p>								
Change of control	<p>If a change of control occurs, all previously allocated units will vest. A further number of units will be allocated based on the proportion of the period that has passed in the current financial year at the time of change of control and will also vest on change of control (subject to Board discretion).</p>								

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

4. Executive contracts

4.1 Contractual arrangements

Remuneration arrangements for Executives are formalised in individual employment agreements. The terms of the contractual arrangements for Executives are set out in the table below:

Executive	Contract type	Notice period	Termination entitlement (without cause)
CEO/MD	Permanent	12 months	52 weeks TFR
Senior Executives	Permanent	6 months	13 weeks TFR
Company Secretary	Permanent	3 months	26 weeks TFR

4.2 Retention arrangements/loyalty and performance bonus

In return for increased notice, non-compete and non-solicitation provisions and in regard of their role in the growth integration and financial challenges facing APA, Peter Fredricson, Ross Gersbach, Robert Wheals and John Ferguson were offered a loyalty and performance bonus effective from March 2012 (lasting three years for Peter Fredricson and Ross Gersbach, and two years for Robert Wheals and John Ferguson), with the first instalment paid in April 2013 and the final instalment was paid in April 2015. The Board does not intend to introduce a replacement to this bonus scheme.

4.3 Sign-on/termination payments provided to executives

APA did not pay any sign-on or termination payments during FY2015.

5. Remuneration governance

5.1 Role of remuneration committee

The Remuneration Committee has been established by the Board to oversee Executive and Non-executive Director remuneration. The role of the Remuneration Committee is to ensure the provision of a robust remuneration and reward system that aligns employee and investor interests and facilitates effective attraction, retention and development of employees. The Remuneration Committee's activities are governed by its Charter (a copy of the Charter is available on APA's website).

In addition to making recommendations regarding APA's broad remuneration strategy and policy (including diversity matters), the Remuneration Committee is responsible for:

- Recommending the CEO/MD's performance objectives, remuneration and appointment, retention and termination policy to the Board;
- Reviewing and approving Executives' remuneration (based on recommendations from the CEO/MD); and
- Reviewing and recommending the Remuneration Report to the Board.

5.2 Composition of remuneration committee

The members of the Remuneration Committee, all of whom are independent Non-executive Directors, are:

- John Fletcher (Chairman);
- Steven Crane; and
- Patricia McKenzie.

The Chairman of the Board attends all meetings of the Remuneration Committee and the CEO/MD attends by invitation, where management input is required. The Remuneration Committee met three times during the year.

5.3 Use of external advisors

The Remuneration Committee seeks external professional advice from time to time on any matter within its terms of reference. Remuneration advisors are engaged by the Remuneration Committee and report directly to the Committee.

During FY2015, the following remuneration information was obtained and considered by the Remuneration Committee:

- Ernst & Young provided remuneration benchmarking information, undertook a review of APA's executive remuneration framework and assisted with remuneration governance;
- Egan & Associates provided fee and remuneration benchmarking information for non-executive director fees and certain members of the executive team, respectively; and
- Orient Capital (Link Group) provided TSR benchmarking analysis.

No remuneration recommendations were provided by any external advisors during FY2015.

6. Non-executive director arrangements

6.1 Determination of non-executive director fees

The Board seeks to attract and retain high calibre non-executive directors who are equipped with diverse skills to oversee all functions of APA in an increasingly complex environment.

The Board determines Board fees and Committee fees annually. It acts on advice from the Remuneration Committee which obtains external benchmark information from independent remuneration specialists. Such information includes market comparisons paid by comparable S&P/ASX 100 organisations.

Non-executive Director fees comprise:

- a Board fee;
- an additional fee for serving on a committee of the Board; and
- statutory superannuation contributions.

Non-executive Directors do not receive incentive payments nor participate in incentive plans of any type.

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

One off 'per diems' may be paid in exceptional circumstances. No payments have been made under this arrangement in this reporting period or the prior reporting period.

The Board members will also now be subject to a minimum securityholding requirement of 100% of annual base fees in line with the changes introduced for the CEO/MD and executives.

Superannuation is provided in accordance with the statutory requirements under with the Superannuation Guarantee Act. Following changes in superannuation regulations in 2003, the Board terminated the Non-executive Directors' retirement benefit plan. Benefits to participating Non-executive Directors accruing up to the termination date were quantified and preserved for payment on retirement of those Non-executive Directors. Robert Wright is the only current Non-executive Director entitled to a preserved benefit under the plan on his retirement from the Board.

Following external benchmarking and a review of APA's performance relative to other companies, Board fees and committee fees were increased effective 1 January 2015 (see table below).

Board and Committee fees per annum (excluding statutory superannuation) are outlined below. The Board Chairman does not receive additional fees for committee membership.

Fees	Effective 1 January 2015		Effective 1 January 2014	
	Chairman \$000	Member \$000	Chairman \$000	Member \$000
Board	400	140	370	129
Audit and Risk Management Committee	38	19	38	19
Health Safety and Environment Committee	32	16	32	16
Remuneration Committee	32	16	32	16

7. Additional key management personnel disclosures

7.1 Fees paid to non-executive directors

The following table sets out fees paid to non-executive directors in FY2014 and FY2015 in accordance with statutory rules and applicable accounting standards.

Year ended 30 June	Short-term employment benefits	Post-employment benefits	Total \$
	Salary/fees \$	Superannuation \$	
Leonard Bleasel AM			
FY2015	385,000	36,100	421,100
FY2014	353,252	28,698	381,950
Steven Crane			
FY2015	169,500	15,912	185,412
FY2014	158,970	14,530	173,500
John Fletcher			
FY2015	173,500	29,397	202,897
FY2014	160,598	30,078	190,676
Russell Higgins AO			
FY2015	185,500	17,397	202,897
FY2014	174,723	15,953	190,676
Patricia McKenzie			
FY2015	166,500	15,620	182,120
FY2014	156,000	14,250	170,250
Robert Wright			
FY2015	188,500	17,679	206,179
FY2014	177,738	16,226	193,964
Total			
FY2015	1,268,500	132,105	1,400,605
FY2014	1,181,281	119,735	1,301,016

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

7.2 Total remuneration earned and received by executives

The following table outlines the total remuneration earned and received by executives during FY2014 and FY2015, calculated in accordance with applicable accounting standards.

Year ended 30 June	Short-Term Employment Benefits			Post-Employment	LTI Plans		Other Payments ²	Total
	Salary/Fees \$	STI \$	Non-Monetary \$	Superannuation \$	Security-Based Payments ¹ \$	\$		
Michael McCormack								
FY2015	1,500,000	1,609,447	-	35,000	1,564,212	-	4,708,659	
FY2014	1,405,000	1,463,962	-	25,000	1,301,316	-	4,195,278	
Peter Fredricson								
FY2015	745,000	561,600	-	35,000	570,885	202,000	2,114,485	
FY2014	725,000	534,375	-	25,000	501,596	202,000	1,987,971	
Ross Gersbach								
FY2015	792,295	589,844	11,922	18,783	622,328	228,666	2,263,838	
FY2014	761,303	512,595	11,922	17,775	558,598	228,667	2,090,860	
Robert Wheals								
FY2015	560,000	408,162	-	30,000	344,570	-	1,342,732	
FY2014	475,000	341,090	-	25,000	251,563	60,000	1,152,653	
John Ferguson								
FY2015	489,000	361,560	-	35,000	318,204	-	1,203,764	
FY2014	435,000	304,463	-	25,000	238,352	60,000	1,062,815	
Kevin Lester								
FY2015	444,000	311,757	-	35,000	215,410	-	1,006,167	
FY2014	395,000	269,955	-	25,000	103,441	-	793,396	
Mark Knapman								
FY2015	474,005	260,406	-	34,995	272,908	-	1,042,314	
FY2014	455,000	236,445	-	25,000	245,153	-	961,598	
Peter Wallace								
FY2015	497,000	361,893	-	35,000	334,123	-	1,228,016	
FY2014	438,000	296,204	-	25,000	210,465	-	969,669	
Total Remuneration								
FY2015	5,501,300	4,464,669	11,922	258,778	4,242,640	430,666	14,909,975	
FY2014	5,089,303	3,959,089	11,922	192,775	3,410,484	550,667	13,214,240	

1) Cash settled security-based payments. Reference units subject to Board allocation in August 2015 based on an estimated VWAP of \$8.7864.

2) Other payments include Loyalty Payment instalments. Refer to "Executive contracts" section for more information.

REMUNERATION REPORT CONTINUED

for the year ended 30 June 2015

7.3 Outstanding LTI awards

The following table sets out the movements in the number of LTI reference units and the number of LTI reference units that have been allocated to executives but have not yet vested or been paid, and the years in which they will vest:

Executives	Grant date (financial year)	Opening balance at 1 July 2014 ¹	Allocated	Paid	Closing balance at 30 June 2015	Units subject to allocation by the Board in August 2015 ²	Reference units allocated that have not yet vested or been paid and the financial years in which they will vest ³			
							FY2016 ³	FY2017	FY2018	FY2019
Michael McCormack	FY2011	69,373		(69,373)	-		-	-	-	-
	FY2012	129,749		(63,672)	66,077		66,077	-	-	-
	FY2013	182,674		(59,396)	123,278		61,639	61,639	-	-
	FY2014		135,141		135,141		45,047	45,047	45,047	-
	FY2015					187,530	-	62,510	62,510	62,510
Total							172,763	169,196	107,557	62,510
Peter Fredricson	FY2011	28,654		(28,654)	-		-	-	-	-
	FY2012	51,643		(25,343)	26,300		26,300	-	-	-
	FY2013	66,880		(21,746)	45,134		22,567	22,567	-	-
	FY2014		47,250		47,250		15,750	15,750	15,750	-
	FY2015					63,693	-	21,231	21,231	21,231
Total							64,617	59,548	36,981	21,231
Ross Gersbach	FY2011	32,676		(32,676)	-		-	-	-	-
	FY2012	58,461		(28,689)	29,772		29,772	-	-	-
	FY2013	73,468		(23,888)	49,580		24,790	24,790	-	-
	FY2014		49,833		49,833		16,611	16,611	16,611	-
	FY2015					67,206	-	22,402	22,402	22,402
Total							71,173	63,803	39,013	22,402
Robert Wheals	FY2011	11,085		(11,085)	-		-	-	-	-
	FY2012	22,227		(10,907)	11,320		11,320	-	-	-
	FY2013	41,423		(13,469)	27,954		13,977	13,977	-	-
	FY2014		31,500		31,500		10,500	10,500	10,500	-
	FY2015					48,177	-	16,059	16,059	16,059
Total							35,797	40,536	25,559	16,059
John Ferguson	FY2011	10,794		(10,794)	-		-	-	-	-
	FY2012	21,712		(10,655)	11,057		11,057	-	-	-
	FY2013	38,231		(12,431)	25,800		12,900	12,900	-	-
	FY2014		28,980		28,980		9,660	9,660	9,660	-
	FY2015					42,789	-	14,263	14,263	14,263
Total							33,617	36,823	23,923	14,263
Kevin Lester	FY2013	31,400		(10,210)	21,190		10,595	10,595	-	-
	FY2014		26,460		26,460		8,820	8,820	8,820	-
	FY2015					39,114	-	13,038	13,038	13,038
Total							19,415	32,453	21,858	13,038
Mark Knapman	FY2011	14,561		(14,561)	-		-	-	-	-
	FY2012	25,671		(12,598)	13,073		13,073	-	-	-
	FY2013	31,515		(10,247)	21,268		10,634	10,634	-	-
	FY2014		21,897		21,897		7,299	7,299	7,299	-
	FY2015					30,096	-	10,032	10,032	10,032
Total							31,006	27,965	17,331	10,032
Peter Wallace	FY2011	3,638		(3,638)	-		-	-	-	-
	FY2012	26,716		(13,110)	13,606		13,606	-	-	-
	FY2013	36,933		(12,009)	24,924		12,462	12,462	-	-
	FY2014		29,166		29,166		9,722	9,722	9,722	-
	FY2015					43,443	-	14,481	14,481	14,481
Total							35,790	36,665	24,203	14,481

1) The units have been adjusted following the accelerated renounceable entitlement offer.

2) Reference units subject to Board allocation in August 2015 based on an estimated VWAP of \$8.7864.

3) Reference units multiplied by 30 trading days VWAP to be paid in cash in September 2015.

7.4 Loans to KMP and related parties

No loans have been made to KMP and related parties.

7.5 Securityholdings

The following table sets out the relevant interests of KMP in APA securities:

Year ended 30 June	Opening Balance at 1 July 2014	Securities Acquired	Securities Disposed	Closing Balance at 30 June 2015
Non-executive directors				
Leonard Bleasel AM	460,664	153,552	-	614,216
Steven Crane	100,000	30,000	-	130,000
John Fletcher	66,188	22,062	-	88,250
Russell Higgins AO	92,040	30,679	-	122,719
Patricia McKenzie	12,500	7,486	-	19,986
Robert Wright	39,444	13,148	-	52,592
Executive director				
Michael McCormack	208,590	69,530	-	278,120
Senior Executives				
Peter Fredricson	7,716	14,072	-	21,788
Ross Gersbach	485	-	-	485
Robert Wheals	1,500	500	-	2,000
John Ferguson	1,967	655	-	2,622
Kevin Lester	3,277	4,092	-	7,369
Mark Knapman	7,201	2,400	-	9,601
Peter Wallace	6,000	2,000	-	8,000

KMP are subject to APA's Securities Trading Policy. A Director or Designated Person (as defined in this policy) with price-sensitive information relating to APA (which is not generally available) is precluded from trading in APA securities.

7.6 Other transactions with KMP of APA and the Responsible Entity and related parties

Leonard Bleasel AM holds 10,000 subordinated notes that were issued by APT Pipelines Limited, a subsidiary of APT.

Other than non-executive director fees, executive compensation and equity and debt holdings disclosed in this report, there are no other transactions with the KMP of APA and the Responsible Entity.