

Attachment 1 – Corporate Information

AGN Licence Application



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1. Introduction

This attachment provides corporate information on Australian Gas Networks Limited (AGN), including information on AGN's corporate structure.

This attachment has been developed in support of AGN's application to the Essential Services Commission of South Australia (the Commission) for a licence to distribute Liquefied Natural Gas (LPG). More specifically, this attachment provides information in support of the following responses in the licence application:

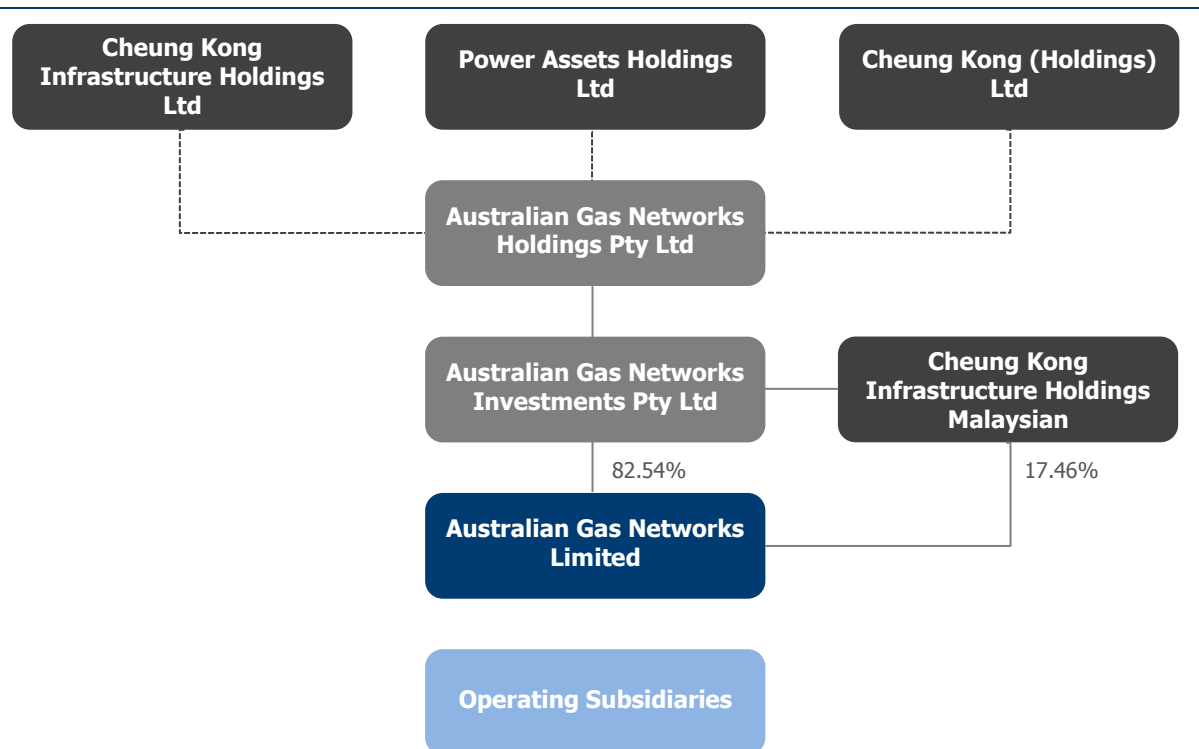
- *Section 1.6: Diagram of Corporate or Other Structure* – see Section 2 of this attachment for details on our corporate structure and key personal;
- *Section 3.1: Standard of Honesty and Integrity Shown by Applicant* – see Section 4 of this attachment for our company Vision Statement and Section 5 for our company values;
- *Section 3.2: Standard of Honesty and Integrity Shown by Officers and Major Shareholders of the Applicant* – see Section 5 of this attachment for details on our company values;
- *Section 3.3: Names and Addresses of the Officers of Applicant* – see Section 2 of this attachment;
- *Section 3.5: Details of the Group Members* – see Section 2.1 of this attachment for details on AGN's operating subsidiaries;
- *Section 3.8: Additional Details of Structure of Applicant* – see Section 3 of this attachment for further information on AGN's network operator APA Asset Management;
- *Section 3.9: Human Resources Available to the Applicant* – see Section 2 of this attachment for details of the AGN Executive Management Team and Section 3 of this attachment for details on APA Group, the operators of AGN's networks; and
- *Section 3.10 Technical resources available to the Applicant* – see Section 3 of this attachment for further detail on the relevant technical expertise of AGN's asset operator APA Asset Management.

2. Corporate Structure

AGN is a legal entity that is registered under the Corporations Act 2001 of the Commonwealth. AGN is owned by a consortium comprising Cheung Kong (Holdings) Ltd (CKH), Cheung Kong Infrastructure Holdings Ltd (CKI) and Power Assets Holdings Ltd (PAH). The consortium parties are members of the Cheung Kong (CK) Group of companies that have significant global interests in infrastructure businesses.

The ownership structure of AGN is set out below in Figure 1.

Figure 1: Ownership Structure of Australian Gas Networks Limited



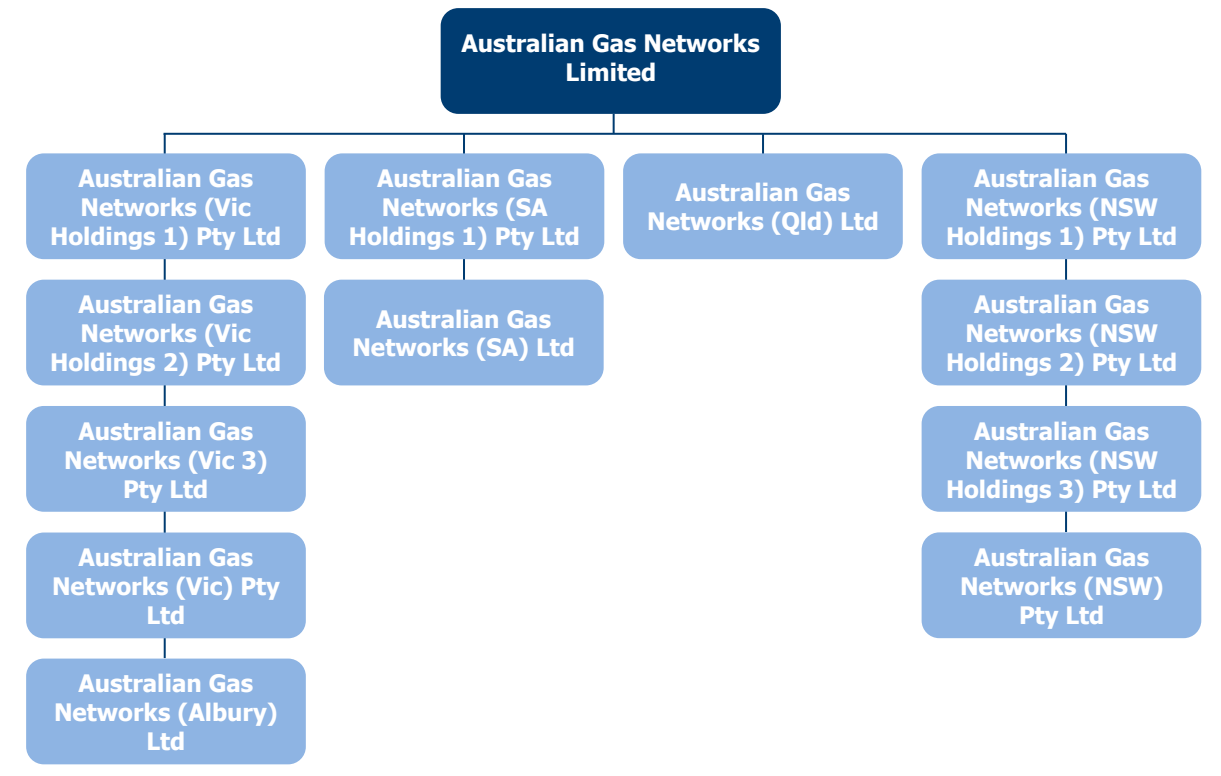
2.1. Related Companies

AGN does not have any related companies within the meaning of the Corporations Act 2001.

2.2. Operating Subsidiaries

The operating subsidiaries of AGN are set out in Figure 2.

Figure 2: Operating Subsidiaries of Australian Gas Networks Limited



2.3. Board and Management

Details of the AGN Board Members are set out in Table 1.¹

Table 1: Board Members of Australian Gas Networks Limited

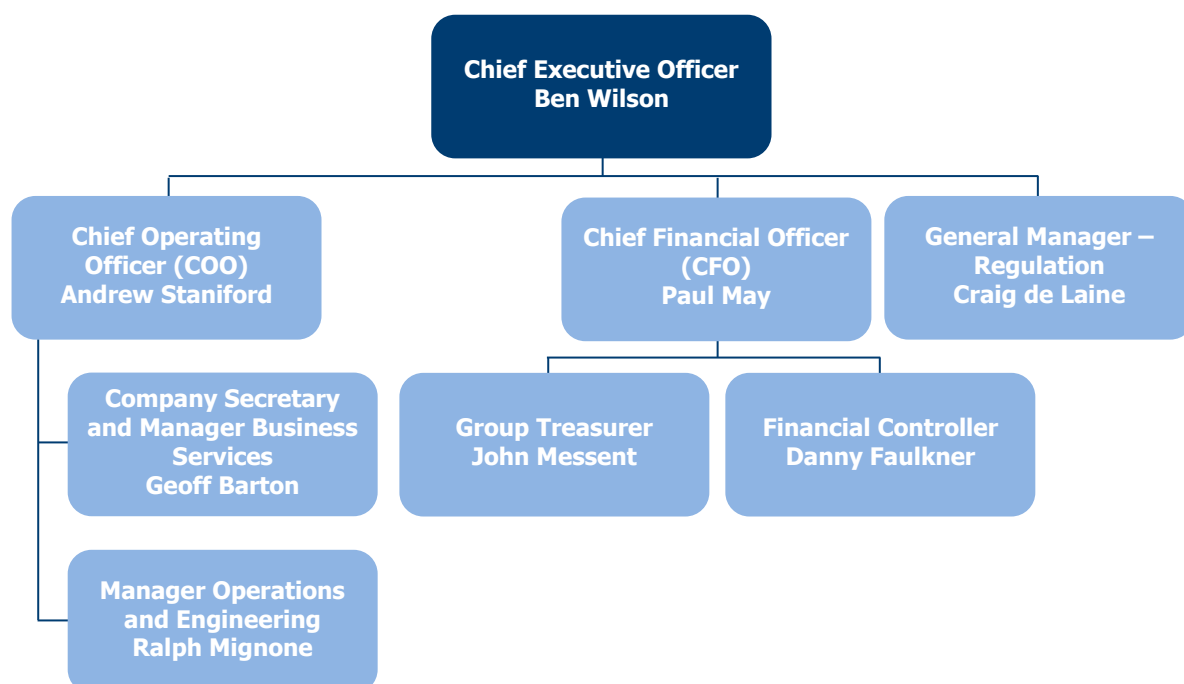
Name and Office Held	Date of Birth	Bio
Peter Tulloch Chairman	01 March 1944	Director since September 2014. Chairman of the Board (since October 2014), with more than 30 years' experience in the banking industry. Mr Tulloch is a Fellow of the Institute of Canadian Bankers.
HL Kam Director	19 October 1946	Director since September 2014. Mr Kam holds a Bachelor of Science Degree in Engineering and a Masters Degree in Business Administration.
Andrew Hunter Director	22 October 1958	Director since September 2014. Over 30 years of experience in accounting and financial management.
Dominic Chan Director	03 August 1962	Director since July 2005. Certified Public Accountant with over 30 years' experience in financial management and accounting professions.
Charles Tsai Director	31 July 1957	Director since September 2014. Mr Tsai is the Chief Executive Officer and Executive Director of Power Assets Holdings Ltd.
Ivan Chan Director	02 February 1963	Director since August 2007. More than 25 years' experience in banking, investment, and finance.
Lewis Owens Director	22 July 1947	Director since November 2014. More than 30 years' experience in the Australian utilities sector.
Des Petherick Director	06 September 1950	Director since June 2015. More than 30 years' experience in natural gas infrastructure.

Further detail on the experience of each of the AGN Board Members is available on the AGN website: <https://www.australiangasnetworks.com.au/our-business/about-us/who-we-are/current-board-members>

The Chief Executive Officer (CEO) of AGN reports directly to the AGN Board. The Executive Management Team (EMT) structure of AGN is set out below in Figure 3.

¹ The listed address for all Board Members is: Level 6, 400 King William Street, Adelaide, South Australia, 5000.

Figure 3: Executive Management Team of Australian Gas Networks Limited



Details of the experience of the EMT members is outlined below:

- *CEO – Ben Wilson:* Former Director of Strategy and Regulation, and Chief Financial Officer at UK Power Networks. More than 15 years' experience in utilities banking across Europe, Asia, and Latin America.
- *COO – Andrew Staniford:* Some 25 years' experience in development and application of regulatory arrangements in the energy industry, and extensive experience in commercial management of utilities.
- *CFO – Paul May:* Chartered Accountant with more than 15 years' experience in various corporate accounting and financial management roles with ASX-listed companies, including Santos Ltd and Henry Walker Eltin Group Ltd.
- *General Manager Regulation – Craig de Laine:* Extensive industry experience, with 15 years' in utility regulation including previous roles at the Essential Services Commission of South Australia, and the Productivity Commission.
- *Company Secretary and Manager Business Services – Geoff Barton:* More than 35 years' experience in the energy sector, including roles with ETSA and AGL. Joined the Company in 2006 and was previously Assistant Company Secretary, Assistant Treasurer, and Manager Business Services.
- *Manager Operations and Engineering – Ralph Mignone:* More than 30 years' experience in the gas industry. Previously held various engineering and operational management positions in SAGASCO, Boral Energy and Origin Energy. Some 15 years' experience in commercial and technical regulation. Former Director of Retail Energy Market Company.
- *Group Treasurer – John Messent:* More than 25 years' experience in the financial services industry. Former Treasurer at People's Choice Credit Union.

- *Financial Controller – Danny Faulkner*: Joined the company in December 2015, with 20 years of financial management experience in the electricity industry, including roles at SA Power Networks and the Hydro Electric Corporation (Tas).

Further detail relating to the experience and education of the EMT is available on the AGN website: <https://www.australiangasnetworks.com.au/our-business/about-us/who-we-are>.

3. Outsourcing Arrangement

Since its inception AGN (previously known as Envestra Limited) has been a dedicated asset owner with operations outsourced to a third party. The key motivation for this structure was to ensure that AGN would act as a low cost operator by accessing the economies of a larger organisation.

AGN assets are operated by APA Asset Management (APA) under a long term Operating and Management Agreement (OMA).

The terms of the outsourcing arrangement are set out in the 2007 Operating and Management Agreement (the 2007 OMA, available to the Essential Services Commission of South Australia upon request). The 2007 OMA represents the novation (with amendments) of an agreement originally entered into in 1999 (the 1999 OMA).

Under the 2007 OMA, APA operates gas networks for AGN. The services provided by APA include:

- managing the haulage of gas through each network;
- operating and maintaining each network;
- planning, designing and constructing network extensions;
- assisting AGN with submissions to independent regulators;
- assisting AGN in promoting the use of natural gas;
- preparing and settling with AGN the budget for each financial year;
- providing AGN with regular information on financial and other management issues;
- reading meters and billing retailers; and
- developing procedures, for approval by AGN in relation to billing, System Use Gas, fair market rental or value for APA's assets used for the services provided, key design parameters for any network and public relations activities.

In consideration of APA undertaking these activities, AGN makes the following payments to APA:

- reimbursement of all costs and disbursements reasonably incurred or outlaid by APA in the performance of its obligations under the 2007 OMA, provided those costs fall within the approved budget or are incurred in the limited circumstances where APA is entitled to incur costs above the budget;
- the Network Management Fee (which is 3% of network revenue); and
- the incentive payments, which are payable for achieving reductions in costs of new connections and reductions in controllable costs per gigajoule.

3.1. About APA Group

APA Asset Management is part of the APA Group (which comprises the Australian Pipeline Trust and the APT Investment Trust). APA Group is a major listed gas infrastructure entity delivering more than half of Australia's annual gas consumption. APA Group has interests in more than 12,000 kilometres of natural gas pipeline infrastructure, over 2,800 kilometres of

gas distribution networks and is the owner of various gas plants and facilities and interconnector systems. It employs around 1,600 people.

3.2. APA's LPG Experience

APA has extensive experience relating to the operation and maintenance of LPG networks. APA and its predecessors have operated LPG reticulations for over 30 years, and is currently the contract operator for Origin Energy's 64 LPG networks across central and eastern Australia. Networks include:

- South Australia – Roxby Downs, Renmark, Wallaroo, Pt Lincoln, Victor Harbor;
- Queensland – Port Douglas, Cairns, Townsville, Gladstone, Sunshine Coast;
- Northern Territory – Darwin, Alice Springs; and
- New South Wales – Broken Hill, Glen Innes.

In these networks, APA provides the full range of operational and maintenance activities such as:

- mains and services construction and maintenance;
- valve and meter set maintenance;
- leak and emergency response;
- customer connections; and
- disconnections.

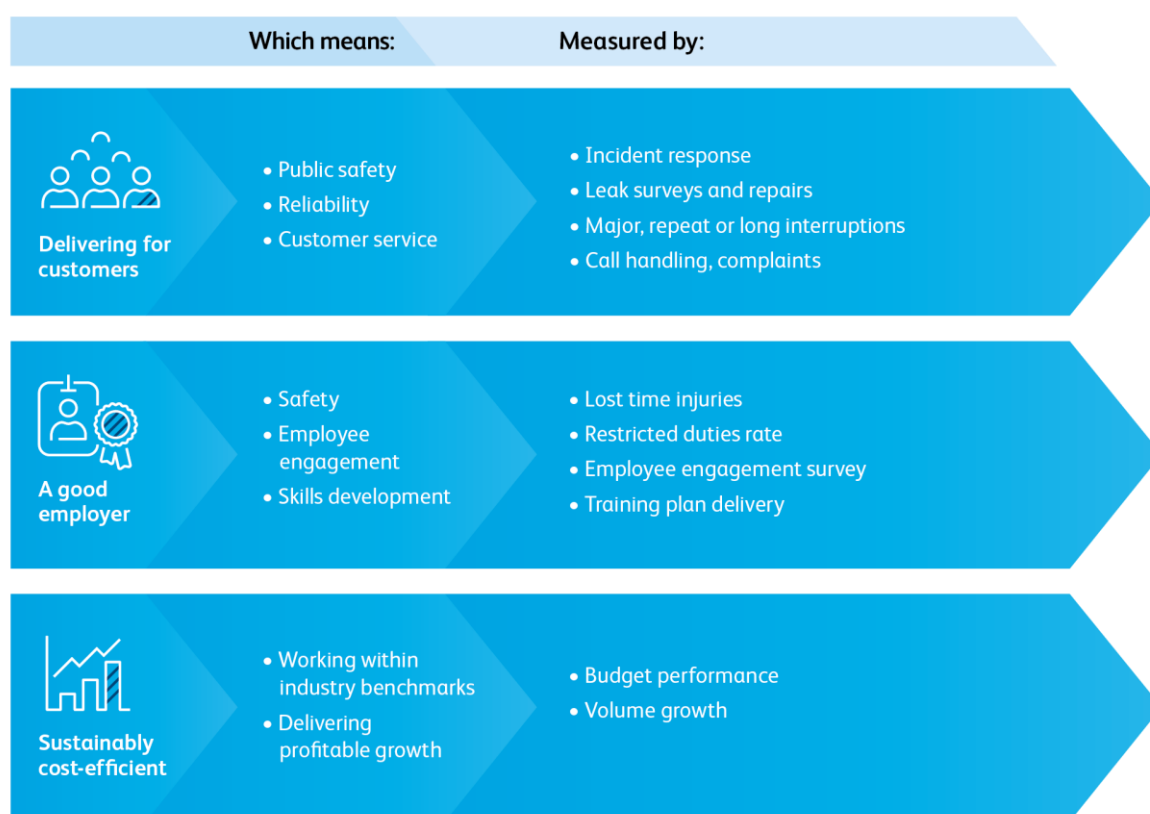
The full resources of the APA Networks and broader APA organisation are available to support these LPG networks, including technical engineering and operational staff, emergency response support for extended incidents and safety and quality resources.

4. Our Vision

AGN aims to be the leading natural gas distributor in Australia. Our definition of leading is to achieve top quartile performance compared with other Australian natural gas distributors on all of our key targets (on the basis that the leading performance will be different across the different measures). The AGN Vision Statement (the Vision) sets out the following three key objectives that we consider are consistent with achieving our vision of being the leading natural gas distributor in Australia:

- *delivering for customers* – which means ensuring public safety and the provision of high levels of network reliability and customer service;
- *a good employer* – which means ensuring the safety of our employees (including contractors), ensuring employees are motivated to achieve our Vision and receive appropriate training; and
- *sustainably cost efficient* – undertaking the required scope/volume of work within the benchmarks set by the AER while growing the network in a prudent and efficient manner.

Figure 4: Australian Gas Networks Limited Vision Statement



AGN communicates its Vision to all key stakeholders, such as employees/contractors, governments, regulators, investors and our customers. Importantly, all of the objectives set out in the Vision can be measured, including in most instances against the performance of our industry peers. AGN publicly reports on our performance under our Vision, most recently

in the 2015 Annual Review (provided as Attachment 3) and use it to drive ongoing improvements in service delivery.

AGN's strong performance against its Vision, as well as the transparent way in which the Vision is communicated and reported against demonstrates our commitment to honesty and integrity.

5. Our Values

As a provider of an essential service, we play a critical role in the community and must act in a responsible manner. Clear and succinct company values influence our behaviour and drive our key decision making. Our values are outlined in Figure 5 below.

Figure 5: Australian Gas Networks Limited Values



These values underpin a culture of honesty and integrity for the business and its officers and shareholders. These values are also reflected in our policies and procedures, which are described in more detail in Attachment 4 – Key Policies and Procedures and which are available on the AGN website: <https://www.australiangasnetworks.com.au/our-business/about-us/work-with-us/code-of-conduct-and-ethics>.