

AGL Energy Limited  
ABN: 74 115 061 375

Locked Bag 3013  
Australia Square NSW 1215  
Australia

Level 24, 200 George St  
Sydney NSW 2000  
Australia

T: +61 2 9921 2999  
F: +61 2 9921 2552  
[www.agl.com.au](http://www.agl.com.au)



## ASX & Media Release

### Notice of 2023 Annual General Meeting

10 October 2023

Attached are the following documents relating to the 2023 Annual General Meeting of AGL Energy Limited to be held at 10.30am (AEDT) on Tuesday, 21 November 2023 at City Recital Hall (Sydney):

- Notice of Annual General Meeting
- Voting Form
- Notice of Access.

Authorised for release by AGL's Board of Directors.

#### Investor enquiries

James Thompson  
Head of Investor Relations  
M: +61 403 183 563  
E: [jthompson5@agl.com.au](mailto:jthompson5@agl.com.au)

#### Media enquiries

Paul Hitchins  
Head of Media  
M: +61 419 315 001  
E: [media@agl.com.au](mailto:media@agl.com.au)

#### About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live. Proudly Australian for 185 years, AGL supplies around 4.3 million<sup>[1]</sup> energy and telecommunications customer services. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, move and work. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

For more information visit [agl.com.au](http://agl.com.au).

<sup>[1]</sup> Services to customers number is as at 10 August 2023.

For personal use only

# **AGL Energy**

# **Notice of Meeting**

# **2023**

**Tuesday, 21 November 2023**  
**10.30am (AEDT)**

For personal use only



Join the change

# Chair's Letter

I am pleased to invite you to AGL's  
2023 Annual General Meeting of Shareholders.

**Date:** Tuesday 21 November 2023

**Time:** 10.30am (AEDT)

**Venue:** City Recital Hall (Sydney)

2-12 Angel Place, Sydney, New South Wales

**Online:** <https://meetnow.global/MAGTR4Z>



*Dear Shareholder,*

On behalf of the Board, I am pleased to invite you to the 2023 Annual General Meeting (**AGM** or **meeting**) of AGL Energy Limited (**AGL** or **Company**).

AGL Shareholders will have the opportunity to participate in the meeting in the following ways:

- **attending the meeting in person:** The AGM will be held at the City Recital Hall (Sydney), 2-12 Angel Place, Sydney, New South Wales.
- **attending the meeting online:** The online platform will allow Shareholders to view the meeting, vote and ask questions in real-time. Instructions on how to do so are included in this Notice of Meeting and further details are published on the AGL website [www.agl.com.au/agm](http://www.agl.com.au/agm).
- **lodging a directed proxy (including a direct vote) in advance of the meeting:** You can do this online at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL). Instructions on how to vote directly or appoint a proxy are detailed on the front of the Voting Form. Voting Forms must be received no later than **10.30am (AEDT) on Sunday, 19 November 2023** to be valid for the AGM.  
Voting Forms may be lodged online or returned by:
  - faxing to +(61 3) 9473 2555; or
  - mailing to AGL Energy Limited, C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001 Australia.
- **lodging questions in advance of the meeting:** Questions can be submitted in advance of the meeting via Computershare at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL). Questions should be lodged no later than 5.00pm (AEDT) on Tuesday, 14 November 2023.
- **watching a live webcast of the AGM:** The AGM will be available to view at <https://meetnow.global/MAGTR4Z>.

Even if you plan to attend the meeting at the City Recital Hall (Sydney) or via the online platform, I encourage you to submit a directed proxy (including a direct vote) in advance of the meeting. This will ensure your votes can still be counted if for any reason you cannot participate on the day of the meeting. In the event that it is necessary for AGL to give further updates on the arrangements for the meeting, we will inform you through AGL's website and the ASX Market Announcements Platform.

## Business of the AGM

Mr Damien Nicks, Managing Director & Chief Executive Officer (**MD & CEO**), and I will provide a brief presentation at the AGM before the formal items of business are considered. The most frequently asked questions received from Shareholders in advance of the meeting will be dealt with in these presentations or prior to the resolutions, as appropriate. We will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. There will also be a reasonable opportunity for Shareholders who attend the meeting as a whole to ask questions or make comments on the management of AGL and the items of business. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

The business to be dealt with at the AGM is provided on pages 3 and 4 of the Notice of Meeting. The Notice of Meeting contains resolutions for:

- the adoption of the 2023 Remuneration Report;
- the re-election of Mr Mark Bloom, Mr Miles George and Mr Mark Twidell as Directors;
- the grant of performance rights under the AGL Long Term Incentive Plan to Mr Damien Nicks;
- the approval of termination benefits to eligible senior executives;
- the reinsertion of Proportional Takeover Provisions for a further three years (as a special resolution); and
- only if required, a conditional spill resolution.

Background information on each of these items is contained on pages 8 to 19, which form part of this Notice of Meeting.

I look forward to welcoming you at the AGM.

*P. McKenzie*

Chair, Patricia McKenzie  
10 October 2023

# Business of the AGM

## 1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report of AGL and its consolidated entities and the Reports of the Directors and Auditor for the financial year ended 30 June 2023.

## 2. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"To adopt the Remuneration Report for the financial year ended 30 June 2023, as set out in the Directors' Report section of the 2023 AGL Annual Report."**

*Note – the vote on this resolution is advisory only and does not bind the Directors or AGL.*

A voting exclusion applies to this resolution – see page 7 for details.

## 3. Re-election of Directors

a. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That Mr Mark Bloom, a Director who retires in accordance with clause 58 of AGL's Constitution and being eligible, is re-elected as a Director of AGL."**

b. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That Mr Miles George, a Director who retires in accordance with clause 58 of AGL's Constitution and being eligible, is re-elected as a Director of AGL."**

c. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That Mr Mark Twidell, a Director who retires in accordance with clause 58 of AGL's Constitution and being eligible, is re-elected as a Director of AGL."**

## 4. Grant of Performance Rights under the AGL Long Term Incentive Plan to Mr Damien Nicks

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That approval is given for AGL to grant to its Managing Director and Chief Executive Officer, Mr Damien Nicks, 162,146 Performance Rights under AGL's Long Term Incentive Plan in respect of the financial year ending 30 June 2024 on the terms set out in the Explanatory Notes which accompany the Notice of Meeting."**

A voting exclusion applies to this resolution – see page 7 for details.

## 5. Approval of Termination Benefits for Eligible Senior Executives

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That approval is given for all purposes (including Part 2D.2 of the Corporations Act 2001 (Cth) (Corporations Act)) for the giving of benefits by the Company or a related body corporate to any current or future holder of a managerial or executive office in the Company or a related body corporate (as defined in section 200AA of the Corporations Act), in connection with that person ceasing to hold that office, on the terms set out in the Explanatory Notes which accompany this Notice of Meeting."**

A voting exclusion applies to this resolution – see page 7 for details.

## 6. Special Resolution – Reinsertion of Proportional Takeover Provisions for a further 3 years

To consider and, if thought fit, to pass the following resolution as a special resolution:

**"That proportional takeover provisions in the form contained in clause 12 of AGL's Constitution (as last approved by Shareholders at the 2020 AGM) be reinserted for a period of three years from the date of the meeting."**

# Business of the AGM (continued)

**The following resolution is NOT SUPPORTED by the Board:**

## **7. Conditional Spill Resolution**

Only if required, to consider and, if thought fit, to pass as an ordinary resolution:

**"That, subject to and conditional on at least 25% of the votes cast on Item 2 being cast against the adoption of the Remuneration Report for the financial year ended 30 June 2023:**

- a. an extraordinary general meeting of AGL (the Spill Meeting) be held within 90 days of the passing of this resolution;
- b. all of the Non-Executive Directors who were in office when the resolution to approve the Directors' Report for the financial year ended 30 June 2023 was passed and who remain in office at the time of the Spill Meeting (being Ms Patricia McKenzie, Mr Mark Bloom, Mr Graham Cockcroft, Mr Miles George, Ms Christine Holman, Professor John Pollaers, Doctor Kerry Schott, Ms Vanessa Sullivan and Mr Mark Twidell), cease to hold office immediately before the end of the Spill Meeting; and
- c. resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."

A voting exclusion applies to this resolution – see page 7 for details.

### **DIRECTORS' RECOMMENDATION**

The Board unanimously recommends that Shareholders **VOTE AGAINST** this resolution to convene a Spill Meeting if Item 7 is put to the meeting. The Chair of the meeting intends to vote all available proxies **AGAINST** Item 7.

By Order of the Board



Melinda Hunter  
Company Secretary  
10 October 2023

# Explanatory Notes

These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it. These Explanatory Notes have been prepared to provide Shareholders with important information regarding the Items of Business proposed for consideration at the AGM. Capitalised terms in this Notice of Meeting are defined in the Glossary on page 19.

## Determination of entitlement to vote

For the purpose of voting at the AGM, the Directors have determined that AGL Shares will be taken to be held by persons registered as Shareholders as at **7.00pm (AEDT) on Sunday, 19 November 2023**. This means that transfers of AGL Shares registered after that time will be disregarded in determining entitlements to attend the AGM and vote on the resolutions.

## Voting on resolutions

Each of the resolutions set out in this Notice of Meeting will be decided by poll.

## Participating in the meeting

AGL Shareholders will have the opportunity to participate in the meeting in the following ways:

- **attend in person;**
- **attend online.** The online platform will allow Shareholders (or their proxies, attorneys or authorised corporate representatives) to view the meeting, and vote and ask questions in real-time;
- **lodge a directed proxy (including a direct vote)** in advance of the meeting;
- **lodge questions** in advance of the meeting; or
- **watch a live webcast of the meeting.** The meeting will be available for viewing at <https://meetnow.global/MAGTR4Z>.

Further details on how to participate in the meeting are set out below.

Instructions on how to attend the meeting via the online platform, including how to vote and ask written and verbal questions, are set out in this Notice of Meeting and the Online Meeting Guide available at <https://meetnow.global/MAGTR4Z>.

In the event that it is necessary for AGL to give further updates on the arrangements for the meeting or to make alternative arrangements for the meeting, we will inform you through AGL's website and the ASX Market Announcements Platform.

### (a) Attending via the online platform

AGL Shareholders (or their proxies, attorneys or authorised corporate representatives) will be able to attend the meeting, including to vote and ask questions, in real-time via the online platform using either a computer, tablet or mobile device with an internet connection.

By attending the meeting online, you will be able to:

- hear the meeting discussion and view presentation slides;
- ask written and verbal questions while the meeting is progressing; and
- vote during the meeting.

AGL recommends that Shareholders log in to the online platform at least 15 minutes prior to the scheduled start time for the meeting in accordance with the instructions below. Shareholders can register to participate in the meeting via the online platform by entering the following URL in their browser – <https://meetnow.global/MAGTR4Z>

Shareholders will need the following details in order to log in to the online platform:

- **user name** – your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**); and
- **password** – your password is your postcode registered on your holding if you are an Australian Shareholder. Overseas Shareholders should refer to the Online Meeting Guide.

Proxyholders will need to contact Computershare on (+61 3) 9415 4024 to obtain their login details to participate online.

Online voting will be open between the commencement of the AGM at **10:30am (AEDT) on Tuesday, 21 November 2023** and the time at which the Chair of the meeting announces the poll is closed.

More information about how to use the online platform is available in the Online Meeting Guide at <https://meetnow.global/MAGTR4Z>

### Technical difficulties

The Chair of the meeting has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising their discretion, the Chair of the meeting will have regard to the number of AGL Shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where considered appropriate, the Chair of the meeting may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy vote or direct vote or other form of proxy vote, even if they plan to attend the meeting in-person or virtually.

In the event of a technological failure that prevents Shareholders from having a reasonable opportunity to participate in the meeting, AGL will provide an update on its website and the ASX Markets Announcements Platform to communicate the details of any postponement or adjournment of the meeting to Shareholders.

### (b) Attending and voting in person

You should arrive at the meeting venue 30 minutes before the time designated for the AGM, if possible, so that your shareholding can be checked against the AGL Share Register and attendances noted, or any power of attorney or certificate of appointment of corporate representative verified, and their attendance noted.

# Explanatory Notes (continued)

## (c) Voting by proxy (including by direct vote)

### Appointing a proxy

- All Shareholders who are entitled to attend and vote at the AGM have the right to appoint a proxy to attend the meeting and vote on their behalf. A proxy need not be an AGL Shareholder.
- If you wish to appoint a proxy, you must complete and return the Voting Form or lodge your Voting Form online. You can direct your proxy how to vote (i.e. to vote 'for' or 'against' or to 'abstain' from voting on the resolutions) by following the instructions on the Voting Form.
- If you are entitled to cast two or more votes at the meeting, you may appoint two proxies and you may specify the proportion or number of votes that each proxy is appointed to exercise. If your appointment does not specify the proportion or number of your voting rights, each proxy may exercise half your votes (disregarding fractions) on a poll.
- **Proxy voting by members of AGL's Key Management Personnel:** If you appoint a member of AGL's KMP (which includes the Directors and their closely related parties) as your proxy, they will not be able to cast your vote on Items 2, 4, 5 or 7 unless you direct them how to vote or the Chair of the meeting is or becomes your proxy (see below).
- **Chair of the meeting as proxy:** You may appoint the Chair of the meeting as your proxy. The Chair of the meeting will be deemed to be your proxy if you submit a Voting Form but do not name a proxy or if the person you appoint as proxy does not participate in the AGM. If you provide a voting direction on a particular Item of Business, the Chair of the meeting must vote in accordance with your direction on a poll. If the Chair of the meeting is or becomes your proxy and you do not give any voting instructions for Items 2, 4, 5 or 7, then by completing and submitting the Voting Form you will be expressly authorising the Chair of the meeting to exercise the proxy as the Chair sees fit in respect of these Items of Business even though these Items of Business are connected directly or indirectly with the remuneration of AGL's KMP.

The Chair of the meeting intends to vote undirected proxies  
IN FAVOUR of Items 2 - 6 and AGAINST Item 7.

### Direct voting

If a Shareholder who is entitled to vote at the AGM appoints a proxy, they may specify the way that the proxy is to vote in relation to a resolution and indicate that the specification is to be regarded as a direct vote. A direct vote will enable Shareholders to vote on resolutions considered at the meeting by lodging their votes with AGL prior to the meeting (and by the deadline set out in the section 'Lodging your Voting Form' below).

By lodging a Voting Form and marking the 'Vote Directly' box, a Shareholder will be deemed to have appointed the Chair of the meeting as their proxy, who will vote in accordance with the directions specified in the Voting Form.

A proxy appointment is not revoked by the Shareholder attending the meeting in person or through the online platform, unless the Shareholder specifically confirms they wish to revoke their proxy votes as they sign in to attend the meeting.

### Lodging your Voting Form

- To be effective, your Voting Form (and any Power of Attorney or other authority under which the Voting Form is signed, or a certified copy of that document) must be received by AGL by no later than **10.30am (AEDT) on Sunday, 19 November 2023**.
- Your Voting Form may be lodged with AGL by:
  - **Website:** lodging online at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL). To submit your proxy voting instructions, you will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and allocated Control Number, as shown on your Voting Form. A proxy cannot be appointed online if they are appointed under a Power of Attorney or similar authority. Custodians and other intermediaries who participate in the Share Registry's online system can also make a proxy appointment online via [www.intermediaryonline.com](http://www.intermediaryonline.com) in accordance with instructions provided; or
  - **Mail:** mailing the form to Computershare Investor Services Pty Limited at GPO Box 242, Melbourne Victoria 3001, Australia (using the envelope provided); or
  - **Fax:** faxing the form to the AGL Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (international).

## (d) Questions from Shareholders

### During the meeting

AGL welcomes questions from Shareholders who are attending the meeting in person and online. In the interests of all present, please confine your questions to matters before the meeting that are relevant to Shareholders as a whole.

In addition, the online platform will contain additional details as to how to vote and ask questions during the AGM.

### In advance of the meeting

Questions can be submitted in advance of the AGM via Computershare at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL). Questions should be lodged no later than **5:00pm (AEDT) on 14 November 2023**.

## (e) Webcast

The AGM will be webcast live via the online platform at <https://meetnow.global/MAGTR4Z>.

If you are a visitor, you will not be able to vote or ask questions. If you are a Shareholder and intend to view and listen to the webcast only, you are encouraged to lodge the Voting Form and submit written questions ahead of the meeting.

Shareholders who are unable to attend the AGM can also watch an archived recording of the webcast after the meeting which will be available from the AGL website at <https://www.agl.com.au/about-agl/investors/webcasts-presentations>.

# Explanatory Notes (continued)

## Corporate representatives

A company wishing to appoint a person to act as its representative at the AGM must provide that person with a letter executed in accordance with the Corporations Act authorising them to act as the Shareholder's representative, which must be received by AGL in advance of the meeting.

## Voting exclusion statement

### Items 2 and 7

Items 2 and 7 are resolutions connected directly with the remuneration of members of AGL's KMP. The Corporations Act restricts KMP and their closely related parties from voting on these Items. A "closely related party" of a KMP is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

In accordance with these requirements, AGL will disregard any votes cast on the resolutions in Items 2 and 7:

- i. by or on behalf of a member of AGL's KMP named in the Remuneration Report for the financial year ended 30 June 2023 or their closely related parties, regardless of the capacity in which the vote is cast; or
- ii. as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.

However, AGL will not disregard votes cast on Items 2 and 7 if they are cast as proxy for a person entitled to vote on those Items:

- i. in accordance with the directions on the Voting Form; or
- ii. by the Chair of the meeting pursuant to an express authorisation to exercise the proxy as the proxy decides, even though Items 2 and 7 are connected with the remuneration of AGL's KMP.

### Item 4

Item 4 is a resolution relating to the grant of Performance Rights to AGL's Managing Director and Chief Executive Officer under AGL's LTIP. AGL will disregard any votes cast on Item 4:

- i. in favour of the resolution by or on behalf of Damien Nicks or any of his associates, regardless of the capacity in which the vote is cast; or
- ii. as a proxy by a person who is a member of AGL's KMP at the date of the AGM or their closely related parties.

However, AGL will not disregard votes cast on Item 4 if they are cast:

- i. as proxy or attorney for a person entitled to vote on Item 4 in accordance with the directions to vote on Item 4 in that way;
- ii. by the Chair of the meeting as proxy for a person entitled to vote on Item 4 pursuant to an express authorisation to exercise the proxy as the Chair decides; or
- iii. by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Item 5

If any Shareholder is a current or potential employee or director of AGL or a related body corporate and wishes to preserve their ability to receive benefits under this approval, then that Shareholder and their associates should not vote on the resolution. Further, AGL will disregard any votes cast on Item 5 as proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties, unless the vote is cast as proxy for a person entitled to vote on Item 5:

- i. in accordance with the directions on the Voting Form; or
- ii. by the Chair of the meeting pursuant to an express authorisation to exercise the proxy as the proxy decides, even though Item 5 is connected with the remuneration of AGL's KMP.

# Business

## **Item 1 – To receive and consider the Financial, Directors' and Auditor's Reports for the financial year ended 30 June 2023**

The 2023 AGL Annual Report can be found on [AGL's website](#) and has been sent to those Shareholders who have requested a copy.

During the discussion of this Item of Business, there will be an opportunity for Shareholders to ask questions about, or comment on, the 2023 AGL Annual Report and the management and performance of AGL. You may also submit written questions in advance of the AGM at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL).

AGL's auditor, Deloitte Touche Tohmatsu, will be available at the AGM to answer questions from Shareholders relevant to the audit, AGL's accounting policies, their Auditor's Report and their independence as AGL's auditor.

## **Item 2 – Adoption of the Remuneration Report for the financial year ended 30 June 2023**

AGL is required under the Corporations Act to include, in the business of its AGM, a resolution that its Remuneration Report for the financial year ended 30 June 2023 be adopted.

At last year's AGM, 30.69% of the votes cast on the resolution to adopt the 2022 Remuneration Report were against the resolution. Accordingly, the Company received a "first strike". Since the 2022 AGM, the Company has consulted with stakeholders to seek to understand the concerns that led to the "first strike" and these discussions have influenced the setting, assessment and disclosure of KMP remuneration and outcomes for the financial year ended 30 June 2023. Some of the changes we have made to better align our remuneration structure with company strategy and performance and drive long term shareholder value include:

- the strategic objectives in the STI scorecard for the MD & CEO will increase in weighting from 15% to 20%, aligned with the other KMP, to deliver incremental progress against longer term decarbonisation objectives and future growth;
- operating free cash flow will be introduced as a second financial metric, alongside underlying profit after tax, to ensure the operational core generates strong cashflows to support future investment in growth;
- the carbon transition metrics in the LTIP will increase in weighting from 25% to 30% to enhance the focus on the commitments to decarbonisation made through AGL's Climate Transition Action Plan (**CTAP**); and
- the carbon transition metrics have been refined to align with the CTAP commitments.

The Remuneration Report is set out on pages 66 to 92 of the 2023 AGL Annual Report, and includes the Board's response to comments made on the 2022 Remuneration Report at the 2022 AGM and the "first strike".

Shareholders should note that whilst the vote on this Item of Business is advisory only, if more than 25% of the votes cast on this Item of Business are against adopting the Remuneration Report, the Conditional Spill Resolution in Item 7 will be put to the meeting. The operation and consequences of a spill resolution are set out under Item 7 below.

The Board takes its responsibilities in relation to remuneration seriously and believes that the remuneration outcomes for the financial year ended 30 June 2023 and the changes made to the remuneration structure address the concerns that led to last year's "first strike". During discussion of this Item of Business, there will be an opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report.

### **DIRECTORS' RECOMMENDATION**

The Directors unanimously recommend that Shareholders **VOTE IN FAVOUR** of the adoption of the Remuneration Report.

## **Item 3 – Re-election of Directors**

### **a. Mr Mark Bloom**

**Qualifications:** BCom, BAcc, CA

**Term:** Non-Executive Director since 1 July 2020.

**Independent:** Yes

**Committees:** Audit & Risk Management Committee (Chair), Safety & Sustainability Committee and Nominations Committee. Mr Bloom was also a member of the Committee that oversaw the review of AGL's Strategic Direction and CTAP during the first half of FY23.

**Directorships:** Director of Pacific Smiles Group Limited, Abacus Storage King and EBOS Group Limited.

**Experience:** Mr Mark Bloom has over 35 years' experience as a Finance Executive. Mr Bloom was CFO at ASX listed Scentre Group Limited from its formation in July 2014 until his retirement in April 2019. Prior to the formation of Scentre Group Limited, Mr Bloom was the Deputy Group CFO of Westfield Group for 11 years. Mr Bloom's executive career includes acting as CFO and an Executive Director at three listed entities in Real Estate (Westfield and Scentre Group – 16 years) and Insurance and diversified Financial Services (Liberty Life, South Africa and Manulife Financial, Toronto – 20 years). Mr Bloom has extensive experience in overseeing global and local finance and IT teams.

## Business (continued)

The Directors consider Mr Bloom's skills and experience, in particular Mr Bloom's significant financial and ASX listed experience, add to the Board's existing skills and experience. Mr Bloom also adds considerable strength and leadership to the Committees on which he serves, including as Chair of the Audit & Risk Management Committee. For these reasons, the Directors support the re-election of Mr Bloom as a Director.

### DIRECTORS' RECOMMENDATION

The Directors (excluding Mr Bloom) recommend that Shareholders **VOTE IN FAVOUR** of the re-election of Mr Bloom as a Director.

#### b. Mr Miles George

**Qualifications:** BE, MBA

**Term:** Non-Executive Director since 19 September 2022.

**Independent:** Yes

**Committees:** Audit & Risk Management Committee, Safety & Sustainability Committee and Nominations Committee.

**Directorships:** Nil

**Experience:** Mr Miles George has more than 30 years' experience in the energy and infrastructure sectors, with a focus on development, investment and financing in the renewable energy industry in Australia and internationally. He has served as an adviser to the Australian Energy Market Commission and the Australian Energy Market Operator on the energy transition, as Chairman of the Clean Energy Council, CEO of CleanCo Queensland, Managing Director of Infigen Energy and a Director of Spark Infrastructure.

The Directors consider Mr George's skills and experience, in particular Mr George's significant experience in the energy and infrastructure sectors, with a focus on the renewable energy industry, add to the Board's existing skills and experience. Mr George also adds considerable strength to the Committees on which he serves. For these reasons, the Directors support the re-election of Mr George as a Director.

### DIRECTORS' RECOMMENDATION

The Directors (excluding Mr George) recommend that Shareholders **VOTE IN FAVOUR** of the re-election of Mr George as a Director.

#### c. Mr Mark Twidell

**Qualifications:** BSC Hons (Elec and Electronic Engineering), MBA, GAICD

**Term:** Non-Executive Director since 15 November 2022

**Independent:** Yes

**Committees:** Safety & Sustainability Committee, People & Performance Committee and Nominations Committee.

**Directorships:** Nil

**Experience:** Mr Mark Twidell is a former energy executive with over 30 years' experience in building new markets, programs, and teams globally in the solar and storage sectors. Mr Twidell is a member of the TAGEnergy Advisory Committee and Australian Renewable Energy Agency (ARENA) Advisory Panel. Mr Twidell has served as Director – Energy Programs at Tesla, responsible for leading Tesla's Energy business in Asia-Pacific, and during 2019-21 the Americas and Europe, Middle East and Africa. He also has experience helping companies and governments with energy transition, having previously served on the boards of the Australian Renewable Energy Agency and Commonwealth Government Solar Flagships Council, and as Deputy Chair of the Clean Energy Council.

The Directors consider Mr Twidell's skills and experience, in particular Mr Twidell's significant energy transition expertise, including his battery experience and emerging technologies expertise, add to the Board's existing skills and experience. Mr Twidell also adds considerable strength to the Committees on which he serves. For these reasons, the Directors support the re-election of Mr Twidell as a Director.

### DIRECTORS' RECOMMENDATION

The Directors (excluding Mr Twidell) recommend that Shareholders **VOTE IN FAVOUR** of the re-election of Mr Twidell as a Director.

## Business (continued)

### Item 4 – Grant of Performance Rights under the AGL Long Term Incentive Plan to Mr Damien Nicks

Shareholder approval is being sought for the proposed grant of 162,146 Performance Rights to AGL's MD & CEO, Mr Damien Nicks, under the LTIP in FY24.

#### Current remuneration package

The Remuneration Report, on pages 66 to 92 of the 2023 AGL Annual Report, sets out details of Mr Nicks' current remuneration. Mr Nicks' total current remuneration comprises:

- Fixed remuneration (**FR**) of \$1,400,000;
- Short Term Incentive eligibility, with a maximum opportunity of 120% of FR for FY24; and
- LTIP eligibility, with a maximum opportunity of 120% of FR for FY24.

#### AGL's LTIP

AGL's LTIP provides executives with the opportunity to earn variable awards through the achievement of company performance targets over the relevant performance period. The LTIP is designed to reward executives for long-term performance, encourage shareholding and deliver long-term value creation for Shareholders. It is the Board's view that the current LTIP supports these objectives.

#### Performance Rights

Performance Rights are granted under the LTIP and will vest upon the satisfaction of agreed performance conditions. Each Performance Right entitles Mr Nicks to receive, upon vesting, one AGL Share at no cost. Performance Rights have no entitlement to dividends or voting. AGL uses Performance Rights because they create share price alignment between Mr Nicks and ordinary Shareholders but do not provide Mr Nicks with the full benefits of share ownership (such as voting rights and dividends) unless and until the Performance Rights vest.

The performance period for the LTIP is four years. Therefore, Mr Nicks' FY24 Performance Rights will be tested against the performance conditions over a four year period commencing from 1 July 2023. The outcome against the performance conditions will be assessed at the end of the performance period and the Board will notify Mr Nicks of any Performance Rights that have vested at that point. Any Performance Rights which do not vest upon this assessment will lapse. Therefore, Mr Nicks will not receive any value if the performance conditions are not met, or the Performance Rights otherwise lapse.

#### Determination of the number of Performance Rights

Mr Nicks is proposed to be granted 162,146 Performance Rights. The number of Performance Rights has been determined by dividing the face value of the MD & CEO's annual LTIP opportunity (120% of FR) by the volume weighted average price of AGL Shares over the 30 calendar days up to 30 June 2023 (being \$10.361). The number of Performance Rights that ultimately vest for Mr Nicks will depend upon the extent to which the performance conditions have been satisfied over the performance period. The maximum number of Performance Rights will only vest if the highest performance levels for each performance condition are achieved as outlined below. The outcomes of the LTIP offer will be included in the Remuneration Report for the relevant financial year (i.e. FY27).

#### Performance Conditions

The Performance Rights are subject to the achievement of two performance conditions, being relative Total Shareholder Return (**TSR**) (weighted as to 70%) and carbon transition metrics (weighted as to 30%).

The TSR measure has been used in AGL's LTIP since FY16 and was selected to focus participants on value creation for Shareholders through relative share price growth and improvement in earnings combined with efficient use of capital. Relative TSR is a market based performance condition which measures the performance of AGL Shares relative to those of the constituent companies in the S&P/ASX 100 index (**Peer Group**). Relative TSR was selected as an LTIP measure because it provides a relative, external market performance benchmark against the Peer Group. Relative TSR essentially compares the returns a Shareholder would receive over a period through holding an AGL Share with the returns the Shareholder would have received by holding a security in other constituent companies of this Peer Group. The Board has the discretion to adjust the Peer Group and the methodology for calculating TSR performance to take into account certain events including takeovers, mergers and similar transactions that might occur over the relevant performance period.

The Board introduced carbon transition as a performance condition to the LTIP in FY21. The inclusion of the carbon transition performance condition was determined having regard to AGL's commitment to reduce its carbon footprint and to facilitate the transition of AGL's thermal fleet responsibly over time. The Board determined to maintain carbon transition as a performance condition in the LTIP in FY24, but increased the weighting to 30% to enhance the focus on the commitments to decarbonisation made through the CTAP.

The carbon transition condition includes three sub-metrics set out below, equally weighted, to ensure a balanced assessment of AGL's carbon transition.

- **Emissions intensity of electricity supplied** - measured as the emissions (tCO<sub>2</sub>e) associated with the maximum of either AGL's electricity supply to the wholesale or retail market by state, as a proportion of that same volume (MWh).
- **New total firming and renewable capacity from FY23 onwards (GW)** - measured as new total firming and renewable capacity in construction, delivered and contracted from FY23 onwards.
- **Revenue uplift of green energy and carbon neutral products and services (%) from FY19, based on the Four-Year Plan and internal AGL calculations**. The base year of FY19 has been used to align with the CTAP.

## Business (continued)

The Board has discretion to adjust any of the sub-metrics to take into account certain events including takeovers, mergers and similar transactions that might occur over the relevant performance period, in order to ensure that the carbon transition measure remains appropriate for the business following the relevant transaction and aligned with the achievement of its stated climate commitments.

The vesting ranges for the carbon transition metrics are set out in the table below. The vesting ranges have been set to ensure they are achievable while holding AGL to account for the delivery of its existing carbon transition objectives, with threshold vesting reflecting full achievement of those plans and full vesting reflecting delivery significantly in excess of those plans.

The number of Performance Rights that vest at the end of the performance period for each tranche will be determined as follows:

### *Relative Total Shareholder Return vesting schedule (70% weighting)*

Performance Measure	Measured Against	Outcome	Vesting of award subject to this metric (% of maximum)
Relative TSR	Constituent companies in the S&P/ASX 100	<50th percentile	0%
		Between 50th-75th percentile	Straight-line vesting from 50-100%
		≥75th percentile	100%

### *Carbon transition vesting schedules (30% weighting)*

Emissions intensity of electricity supplied in FY27	Vesting of award subject to this metric (% of maximum)	New total firming and renewable capacity from 1 July 2023 at 30 June 2027	Vesting of award subject to this metric (% of maximum)	Revenue uplift of green energy and carbon neutral products & services in FY27 from FY19 base	Vesting of award subject to this metric (% of maximum)
More than 0.907 (tCO <sub>2</sub> e/MWh)	0%	Less than 1.5 GW	0%	Less than 75%	0%
0.907 to 0.884 (tCO <sub>2</sub> e/MWh)	Straight-line vesting between 25% and 50%	1.5 GW to 1.9 GW	Straight-line vesting between 25% and 50%	75% to 85%	Straight-line vesting between 25% and 50%
0.884 to 0.871 (tCO <sub>2</sub> e/MWh)	Straight-line vesting between 50% and 90%	1.9 GW to 2.1 GW	Straight-line vesting between 50% and 80%	85% to 95%	Straight-line vesting between 50% and 100%
0.871 to 0.868 (tCO <sub>2</sub> e/MWh)	Straight-line vesting between 90% and 100%	2.1 GW to 2.4 GW	Straight-line vesting between 80% and 100%	More than 95%	100%
Less than 0.868 (tCO <sub>2</sub> e/MWh)	100%	More than 2.4 GW	100%		

### **Cessation of employment**

Except in limited circumstances, Mr Nicks must be employed by AGL at the vesting date in order to be eligible to receive any AGL Shares upon satisfaction of the performance conditions. However, the Board has discretion to determine a different treatment if Mr Nicks' employment with AGL ceases due to death, redundancy, retirement, incapacity or other circumstances where the Board determines good leaver treatment is appropriate. In particular, the Board can allow some or all of Mr Nicks' unvested Performance Rights to remain on foot subject to performance conditions, can bring forward testing of the performance conditions or can waive the performance conditions. In exercising these discretions, the Board would have regard to relevant circumstances, including the reasons for cessation, AGL's performance, Mr Nicks' contribution to AGL and prevailing market practice and stakeholder expectations.

### **Clawback**

The Board maintains the discretion to prescribe clawback events in which any unvested equity awards may be clawed back from executives, including the LTIP awards being proposed for Mr Nicks. Clawback events include where the executive has committed any act of fraud or gross misconduct in relation to the affairs of AGL, materially breached their obligations to AGL, or has hedged the value of, or entered into a derivative arrangement in relation to, an unvested equity award or where any unvested equity award has vested as a result of a material misstatement in the financial statements of AGL.

### **Change of control and other corporate transactions**

In circumstances where there is a likely or actual change in the control of AGL, the Board has discretion to determine how to treat unvested Performance Rights including whether to vest some or all of the Performance Rights.

The Board also has discretion to determine how to treat unvested Performance Rights in the event of a corporate transaction such as a variation in the share capital of AGL or other corporate event that the Board determines appropriate. Subject to the ASX Listing Rules, the Board may, in its discretion, adjust the number of Performance Rights, issue further Performance Rights or determine to vest some or all of the Performance Rights.

## Business (continued)

### Shareholder approval

Under ASX Listing Rule 10.14, shares or rights to shares may only be issued to a director under an employee incentive scheme if the director's participation has been approved by an ordinary resolution of Shareholders. Approval from Shareholders is being sought in relation to Mr Nicks' participation in the LTIP in FY24. If Shareholder approval is not provided, then, subject to the achievement of the relevant performance conditions, it is intended that the LTIP award will be provided to Mr Nicks in cash at the end of the performance period, equivalent in value to the LTIP award he would have received had Shareholder approval been received.

### Further information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following further information to be disclosed in relation to Performance Rights which may be granted to Mr Damien Nicks under the LTIP:

- a. approval is being sought for the grant of 162,146 Performance Rights to Mr Nicks because he is a Director of AGL;
- b. Mr Nicks has previously received 301,866 Performance Rights at no cost under the LTIP as part of his remuneration from AGL. Mr Nicks currently holds 216,323 Performance Rights under the LTIP in respect of awards made in FY21, FY22 and FY23. Otherwise, no Directors have received a grant of Performance Rights under the LTIP since the last approval given by Shareholders under ASX Listing Rule 10.14 at the 2021 AGM;
- c. a voting exclusion statement is included in the Notice of Meeting;
- d. there is no loan applicable in relation to the acquisition of Performance Rights or the AGL Shares underlying them because Mr Nicks is not required to make any payment for the Performance Rights or the AGL Shares underlying them;
- e. If Shareholder approval is provided, the Performance Rights are expected to be granted to Mr Nicks in November 2023 (but in any event no later than 12 months after the date of the AGM) on the terms described in these Explanatory Notes;
- f. details of Performance Rights or AGL Shares issued to Mr Nicks under the LTIP will be published in AGL's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14; and
- g. any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the LTIP after this resolution is approved and who were not named in the Notice of Meeting will not participate in the LTIP until approval is obtained under that rule.

### DIRECTORS' RECOMMENDATION

The Directors (excluding Mr Nicks) recommend that Shareholders **VOTE IN FAVOUR** of the grant of Performance Rights under the LTIP to Mr Nicks.

# Business (continued)

## Item 5 – Approval of Termination Benefits for Eligible Senior Executives

### Approval of Termination Benefits for Executives

Part 2D.2 of the Corporations Act restricts the benefits that can be given without Shareholder approval to individuals who hold (or held in the previous three years) a managerial or executive office on leaving employment with AGL or its related bodies corporates (the **Group**).

The Group's policy in relation to termination benefits and entitlements is to treat ceasing employees fairly having regard to applicable laws and market practice, while balancing this with the need to avoid excessive termination payouts. Approval is being sought so that AGL can continue to give effect to this policy, while complying with the Corporations Act.

The termination benefits authorisation obtained at the 2020 AGM lapses at the end of the 2023 AGM, so AGL is seeking a further three year approval which would have effect until the conclusion of the 2026 AGM.

### Who is approval being sought for?

Approval is sought for any current or future employees of the Group who:

- are or become members of AGL's KMP; or
- otherwise hold a managerial or executive office in AGL or a related body corporate (i.e. who serve as directors of subsidiaries),

at the time of their termination or at any time in the three years prior to their termination (**Relevant Executives**).

This approval does not cover Non-Executive Directors, who do not participate in AGL's incentive plans and are not entitled to receive any termination payments in connection with their retirement from the Board. Potential benefits upon termination for Non-Executive Directors are ordinarily limited to unpaid fees and entitlements and other non-material incidental benefits (eg retention of property such as phones or electronic devices).

### Why is AGL seeking this approval?

AGL is seeking approval to preserve the flexibility of the Board to implement AGL's remuneration policy and framework (as set out in the Remuneration Report) in support of AGL's strategy. In particular, this approval will enable the Board to:

- deliver Relevant Executives the benefits to which they are contractually entitled;
- attract and retain future executives on market competitive terms; and
- ensure Relevant Executives are treated fairly on cessation of employment, having regard to their contribution to AGL and the circumstances in which they are ceasing employment.

In setting its remuneration policy and framework, and exercising specific discretions within the framework, the Board takes into account a range of factors, including the expectations of Shareholders and other stakeholders, prevailing market practice and corporate governance standards, and the desire to appropriately reward and recognise an individual executive's contribution to AGL.

Shareholders are not being asked to approve any increase or changes to the existing remuneration arrangements and entitlements of KMP described in the Remuneration Report.

If approval is given, this does not guarantee that a Relevant Executive will receive the termination benefits described below, but preserves the discretion of the Board to determine the most appropriate termination package within the parameters of the approval and the Corporations Act.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating the Relevant Executives' termination benefits cap for the purposes of subsections 200F(2)(b) or 200G(1)(c) of the Corporations Act.

### What are the benefits or entitlements for which approval is being sought?

The Company is seeking Shareholder approval to provide benefits or entitlements to Relevant Executives, including to:

- pay amounts under employment agreements (such as payments in lieu of notice);
- accommodate the full range of leaver treatments provided for under the terms of incentive awards for Relevant Executives, some of which involve the exercise of discretion by the Board;
- pay any death and disablement benefits to which a Relevant Executive is contractually entitled upon cessation of their employment; and
- pay additional amounts, including amounts payable under applicable policy, laws or regulation and incidental benefits.

### Summary of AGL's leaving entitlements

To enable Shareholders to meaningfully assess whether to approve this resolution, the summary below outlines the key categories of potential termination benefits that may become payable to Relevant Executives and the types of circumstances in which they may arise.

The summary is not intended to provide an exhaustive list of every benefit that could become payable to Relevant Executives in every potential termination scenario. Part of the reason AGL is seeking shareholder approval is to preserve a degree of flexibility for the Board to tailor the termination arrangements for Relevant Executives having regard to the circumstances of the Relevant Executive's cessation of employment and within the parameters imposed by:

- AGL's remuneration policy, as described in the Remuneration Report;

## Business (continued)

- the Relevant Executive's employment agreement;
- the terms of any equity awards granted to the Relevant Executive under AGL's incentive plans; and
- prevailing laws, regulations, market practice and governance expectations at the time the Relevant Executive ceases employment.

Agreement or plan	Treatment on cessation of employment
Employment agreements	<p>Employment agreements for Relevant Executives generally provide for notice periods of 6 months (except for the MD &amp; CEO, who has a notice period of 12 months) and allow for payments in lieu of notice to be paid by the Group. Payments in lieu of notice are calculated by reference to the executive's fixed remuneration (including superannuation and the cost of other items such as novated vehicle lease payments).</p> <p>In addition, employment agreements (other than the MD &amp; CEO) provide for termination payments of up to 9 months' fixed remuneration in certain circumstances. Any termination payment would be in addition to any payment in lieu of notice made to a Relevant Executive.</p> <p>Relevant Executives are generally not eligible for any contractual payments (including payments in lieu of notice), aside from statutory entitlements, where their employment is terminated for cause.</p>
Incentive plans	<p>In general, incentive awards made to Relevant Executives under AGL's incentive plans provide for more favourable cessation treatment in 'good leaver' scenarios. 'Good leavers' typically include those who cease employment due to death, retirement, redundancy, incapacity or other appropriate circumstances at the Board's discretion (which could include circumstances such as termination by mutual agreement).</p> <p><b>Short-term incentives (STI)</b></p> <p>AGL's STI awards are a combination of cash and deferred equity (currently in the form of Restricted Shares).</p> <p>In 'good leaver' scenarios, the Board may determine the treatment of a Relevant Executive's STI award, including:</p> <ul style="list-style-type: none"> <li>whether the Relevant Executive will remain eligible to receive a pro-rata STI award in respect of the financial year in which their employment ceased;</li> <li>the application of performance criteria and vesting conditions and timing of assessment and determination of the award;</li> <li>the composition of the award (eg all cash or a combination of cash and equity and whether deferral will apply);</li> <li>whether deferral arrangements for deferred equity already on foot will continue to apply; and</li> <li>whether any payment or vesting will remain at the end of the performance period or will be accelerated.</li> </ul> <p>In other cessation scenarios, including termination for cause, all awards would generally lapse on cessation of employment.</p> <p><b>Long-term incentive (LTI)</b></p> <p>AGL's LTI awards are currently delivered in the form of Performance Rights.</p> <p>In 'good leaver' scenarios, the Board may determine the treatment of a Relevant Executive's unvested LTI awards in light of the circumstances, including whether some or all of the unvested performance rights:</p> <ul style="list-style-type: none"> <li>lapse;</li> <li>remain on foot (ie continue subject to performance criteria);</li> <li>are vested early; or</li> <li>are assessed at a date determined by the Board.</li> </ul> <p>Except in exceptional circumstances (such as death or total and permanent disability), the Board is likely to determine that only a pro-rata number of unvested LTI awards will remain on foot and the remainder will lapse.</p> <p>In other cessation scenarios, including termination for cause, all awards will generally lapse on cessation of employment.</p>
Payments under applicable policies, laws, regulation or market practice	<p>Other benefits may be payable upon cessation in accordance with applicable policies, law, regulation or market practice. This would include any accrued leave, insurance and superannuation entitlements.</p> <p>Most of these benefits would not generally be considered 'termination benefits' under the Corporations Act and no Shareholder approval would normally be required to make these payments. However, to the extent that any of these benefits would constitute a termination payment under the Corporations Act, the approval sought will operate to allow for the provision of the benefit to Relevant Executives on cessation of employment.</p>
Redundancy	<p>AGL's redundancy policy applies to all employees and generally provides for redundancy payments to be determined by reference to the number of years of service of the employee and the total remuneration of the employee as at the termination date. Benefits paid under the redundancy policy are generally exempt from the Corporations Act restrictions. It may occasionally be appropriate to provide a redundancy benefit which is not covered by the redundancy policy, for example service may include legacy or jurisdictional arrangements that differ from the standard policy.</p>
Incidental benefits	<p>Circumstances may arise where it will be appropriate for AGL to make small incidental payments to a Relevant Executive, such as allowing the Relevant Executive to retain certain property following termination (such as phones or other electronic devices) or making retirement gifts to recognise the contribution they made to the Group. Approval is sought to grant such benefits provided they are considered reasonable in all the circumstances.</p>

## Business (continued)

*Note: Discretions may be exercised by the Board or the People & Performance Committee on behalf of the Board.*

It can be reasonably anticipated that aspects of relevant employment agreements, incentive arrangements and AGL's policies will be amended from time to time in line with market practice and changing governance standards (including replacing existing equity plans or using a different form of equity). It is intended that this approval will remain valid for as long as these agreements, arrangements and policies provide for a treatment on cessation of employment consistent with the treatment outlined above. Any changes impacting KMP will be disclosed in AGL's Remuneration Report.

The amount and value of the termination benefits and entitlements that may be provided cannot be ascertained in advance as they will depend on a number of factors that will, or are likely to, affect that value, including:

- the circumstances in which the Relevant Executive ceases employment and the extent to which they served the applicable notice period;
- the Relevant Executive's base salary at the time they cease employment;
- the Relevant Executive's length of service with the Group and the portion of any relevant performance or vesting periods that have expired at the time they cease employment;
- the number of unvested equity awards held by the Relevant Executive prior to cessation of employment and the number that the Board determines to vest, lapse or leave on foot;
- AGL's share price when the value of any equity entitlements are determined and the terms of those entitlements;
- any other factors that the Board determines to be relevant when exercising a discretion (such as its assessment of the individual's performance up to the cessation date); and
- any changes in laws, regulation or market practice between the date that AGL or the relevant body corporate enters into an employment agreement with the Relevant Executive and the date they cease employment.

### **Approval is sought for a three-year period**

If approval is obtained, it will be effective for a period of three years from the date the resolution is passed. This means that the approval will be effective:

- if the Board (or its delegates) exercise the discretions outlined above upon cessation of employment; and/or
- if the Relevant Executive ceases employment with the Group,

during the period beginning at the conclusion of AGL's 2023 AGM and expiring at the conclusion of AGL's 2026 AGM. If considered appropriate, the Board will seek a new approval from Shareholders at AGL's 2026 AGM.

#### **DIRECTORS' RECOMMENDATION**

The Directors (excluding Mr Nicks) recommend that Shareholders **VOTE IN FAVOUR** of the approval of termination benefits to Relevant Executives.

# Business (continued)

## Item 6 – Reinsertion of Proportion of Takeover Provisions

Clause 12 of the Constitution contains proportional takeover approval provisions that prohibit AGL from registering a transfer of AGL Shares under a proportional takeover bid unless the bid is approved by resolution passed by Shareholders in a general meeting.

Under the Corporations Act, proportional takeover approval provisions must be renewed every three years or they will cease to have effect. The provisions were last approved by Shareholders at the 2020 AGM for a period of three years. If the proposed resolution is approved by Shareholders, the proportional takeover provisions will be reinserted into the Constitution and have effect on exactly the same terms as the existing provisions until 21 November 2026.

A copy of AGL's Constitution is available on the AGL website at <https://agl.com.au/aglconstitution>.

### Statement under the Corporations Act

The Corporations Act requires that the following information be provided to Shareholders when they are considering the re-insertion of proportional takeover provisions in a constitution.

#### What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all shareholders.

The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made, shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all shareholders. This provision allows shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.

#### The effect of the proportional takeover provisions

The effect of the proportional takeover provisions in clause 12 of the Constitution is that if a proportional takeover bid is made for AGL, AGL must refuse to register a transfer of AGL Shares giving effect to any acceptance of the bid unless the takeover bid is approved by Shareholders in general meeting.

In the event that a proportional takeover bid is made, the Directors must convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on at least 14 days before the last day of the takeover bid period, the resolution will be deemed to have been approved. This effectively means that Shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

If the resolution is approved or deemed to have been approved, a transfer of AGL Shares under the proportional takeover bid may be registered provided it complies with the other provisions of the Corporations Act and the Constitution.

If the resolution is rejected, the registration of any transfer of shares resulting from the proportional takeover bid is prohibited and the proportional takeover bid is deemed by the Corporations Act to have been withdrawn.

The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on.

The proportional takeover provisions do not apply to full takeover bids. If the provisions are reinstated, they will only apply until 21 November 2026 unless they are renewed or reinserted by Shareholders by passing a special resolution. Similar provisions are commonly found in the constitutions of publicly-listed companies on the ASX and are regularly renewed.

#### Reasons for proposing the resolution

Without the proportional takeover approval provisions, a proportional takeover bid may result in control of AGL passing without Shareholders having the opportunity to dispose of all of their AGL Shares to the bidder. This could result in control of AGL passing to the bidder without the payment of an adequate control premium and with Shareholders left as a minority interest in AGL.

The proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. The Directors consider that it is appropriate for Shareholders to have this right.

#### No knowledge of any acquisition proposals

At the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in AGL.

## Business (continued)

### Review of proportional takeover provisions

The Corporations Act requires Shareholders to be given a statement which retrospectively examines the advantages and disadvantages, for Directors and Shareholders, of the proportional takeover provisions proposed to be renewed or reinserted. A statement of advantages and disadvantages is set out below.

While the proportional takeover provisions in clause 12 of the Constitution have been in effect there have been no takeover bids for AGL, either proportional or otherwise. Accordingly, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover provisions for Directors and Shareholders of AGL. The Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover provisions.

### Potential advantages and disadvantages

The Corporations Act requires that Shareholders be given a statement of the potential future advantages and disadvantages of the provisions in addition to retrospectively reviewing the provisions proposed to be renewed or reinserted.

The re-insertion of the proportional takeover provisions will allow Directors to ascertain Shareholders' views on a proportional takeover bid. Otherwise, the Directors consider that the proposed re-insertion of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved or rejected.

The potential advantages of the re-insertion of the proportional takeover provisions for Shareholders are:

- a. they give Shareholders a say in determining whether a proportional takeover bid should proceed;
- b. they may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of AGL passing without the payment of an appropriate control premium;
- c. they may assist Shareholders in not being locked in as a minority interest;
- d. they increase Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- e. knowing the view of the majority of Shareholders may assist each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that bid.

Some potential disadvantages of the re-insertion for Shareholders are that the proportional takeover provisions:

- a. may discourage the making of proportional takeover bids in respect of AGL and may reduce any speculative element in the market price of AGL's Shares arising from the possibility of a takeover bid being made;
- b. may depress the share price or deny Shareholders an opportunity of selling some of their AGL Shares at a premium;
- c. may reduce the likelihood of a proportional takeover bid being successful; and
- d. may be considered to constitute an unwarranted restriction on the ability of Shareholders to deal freely with their AGL Shares.

However, the Directors do not perceive those or any other possible disadvantages as a justification for not re-inserting the proportional takeover provisions for a further three years and consider that the potential advantages of the proportional takeover provisions for Shareholders outweigh these possible disadvantages.

#### DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that Shareholders **VOTE IN FAVOUR** of the re-insertion of the proportional takeover provisions in clause 12 of AGL's Constitution.

## Business (continued)

### The following resolution is NOT SUPPORTED by the Board

#### Item 7 – Conditional Spill Resolution

At last year's Annual General Meeting, more than 25% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report and the Company received a "first strike".

Item 7 is a conditional resolution and will not be required to be put to the meeting if more than 75% of votes validly cast on Item 2 are cast in favour of the resolution to adopt the Remuneration Report i.e. if the Company avoids a "second strike".

If the Company is required to put the conditional spill resolution to the meeting, and the spill resolution is passed and becomes effective, it will be necessary for the Board to convene an extraordinary general meeting of the Company (the **Spill Meeting**) to be held within 90 days of the date of the AGM in order to consider the composition of the Board. If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course. If the spill resolution is put to the meeting, it will only be passed if an ordinary majority (more than 50%) of the votes validly cast on the resolution are in favour of it.

If the Spill Meeting is held, the following Non-Executive Directors will automatically vacate office at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting:

- Ms Patricia McKenzie;
- Mr Mark Bloom\*;
- Mr Graham Cockroft;
- Mr Miles George\*;
- Ms Christine Holman;
- Professor John Pollaers;
- Doctor Kerry Schott;
- Ms Vanessa Sullivan; and
- Mr Mark Twidell\*.

\* Assuming that the relevant Directors are re-elected at the 2023 AGM under Item 3. Even if Mr Bloom, Mr George, and Mr Twidell are re-elected at the AGM, they will still need to be re-elected at the Spill Meeting to remain in office following the Spill Meeting.

When considering this Item of Business, the Directors suggest that Shareholders consider:

- the Board's response to the first strike received at the 2022 AGM, which is set out on page 69 of the 2023 AGL Annual Report;
- the additional costs of, and uncertainty and disruption caused by, convening an additional general meeting of Shareholders which the Board does not consider to be in the best interests of AGL or its Shareholders; and
- that each Non-Executive Director has previously been elected as a Director of AGL by Shareholders and received strong support from Shareholders.

#### DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that Shareholders **VOTE AGAINST** this resolution to convene a Spill Meeting if Item 7 is put to the meeting.

# Glossary

In this Notice of Meeting, the following terms have the respective meanings unless the context otherwise requires:

**2023 AGL Annual Report** means the Annual Report of AGL for the financial year ended 30 June 2023.

**AGL** means AGL Energy Limited ABN 74 115 061 375.

**AGL Share** means a fully paid ordinary share in AGL.

**AGM** means the 2023 Annual General Meeting of Shareholders.

**Board** means the Board of Directors of AGL.

**Company** means AGL Energy Limited ABN 74 115 061 375.

**Constitution** means the Constitution of AGL.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a Director of AGL.

**FR** means fixed remuneration.

**KMP** means key management personnel including the Directors and those executives who have the authority and responsibility for planning, directing and controlling the activities of AGL. The Remuneration Report identifies the KMP for AGL for the financial year ended 30 June 2023.

**LTIP** means the AGL Long-term Incentive Plan, an incentive plan providing executives with the opportunity to earn variable rewards through the delivery of Shareholder value creation over the relevant performance period.

**Notice of Meeting** means the notice pursuant to which the AGM is convened.

**Performance Right** means a right to receive one AGL Share in the future subject to meeting specified performance and/or employment conditions.

**Remuneration Report** means the section of the Directors' Report contained in the 2023 AGL Annual Report entitled 'Remuneration Report'.

**Shareholder** means a holder of AGL Shares.

**STI** means the AGL Short-term Incentive Plan, an incentive plan providing executives with the opportunity to earn variable rewards based on performance over a financial year.

**TSR** means the total return to a Shareholder from holding a share (capital gains plus dividends) over a period of time.

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## Voting Form

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll on your behalf. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**Proxy voting by key management personnel:** the key management personnel (KMP) of the Company (which includes each of the Directors) and their closely related parties will not be able to vote your proxy on Items 2, 4, 5 and 7, unless you direct them how to vote or the Chair of the meeting is, or becomes, your proxy.

**Default to Chair:** Any directed proxies that are not voted on a poll at the meeting will default to the Chair of the meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the meeting will be voted in accordance with the Board recommendations set out overleaf, including where the items are connected directly or indirectly with the remuneration of KMP.

**Proxy voting by the Chair of the meeting:** If you appoint the Chair of the meeting as your proxy (or the Chair of the meeting becomes your proxy by default) and you do not direct the Chair of the meeting on how to vote, by submitting this Voting Form, you will be expressly authorising the Chair of the meeting to exercise your proxy vote as they consider fit on the relevant resolutions, even though the resolutions may relate to the remuneration of a member of the Company's KMP.

A proxy need not be a shareholder of the Company.

#### VOTE DIRECTLY PRIOR TO THE MEETING

If you appoint a proxy, you may specify the way that the proxy is to vote in relation to a resolution and indicate that the specification is to be regarded as a direct vote.

By lodging a Voting Form and marking the 'Vote Directly' box in Step 1, you will be deemed to have appointed the Chair of the meeting as your proxy, who will vote in accordance with the directions specified in the Voting Form.

**Voting 100% of your holding:** Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

#### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the shareholder must sign.

**Joint Holding:** Where the holding is in more than one name, any of the shareholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Need assistance?



**Phone:**

(within Australia) 1800 824 513  
(outside Australia) +61 3 9415 4253



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

**Email:**

[aglenergy@computershare.com.au](mailto:aglenergy@computershare.com.au)

**Website:**

[www.au.computershare.com/Investor](http://www.au.computershare.com/Investor)



### YOUR VOTE IS IMPORTANT

Where you intend to appoint a proxy or vote prior to the meeting, for your election to be valid, it must be received by **10:30am (AEDT)** on **Sunday, 19 November 2023**.

### Lodge your Form:

#### Online:

Lodge your vote online at [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 132871

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Voting Form

Please mark  to indicate your directions

## Step 1 Indicate How Your Vote Will Be Cast *Select one option only*

At the Annual General meeting of AGL Energy Limited to be held at City Recital Hall (Sydney), 2-12 Angel Place, Sydney, New South Wales and online via <https://meetnow.global/MAGTR4Z> on Tuesday, 21 November 2023 at 10:30am (AEDT) and at any adjournment or postponement of that meeting, I/We being member/s of AGL Energy Limited direct the following:

A Vote Directly  Record my/our votes strictly in accordance with directions in Step 2.

OR

I/We hereby appoint:

B Appoint a proxy to vote on your behalf  The Chair of the meeting **OR**  or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

**PLEASE NOTE:** A valid Direct Vote will take priority over the appointment of a Proxy in Section B below. By marking the 'Vote Directly' box, you will be deemed to have appointed the Chair of the meeting as your proxy, who will vote in accordance with the directions specified in Step 2. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the meeting. Do not insert your own name(s).

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 2, 4, 5 and 7 (except where I/we have indicated a different voting intention in Step 2) even though Items 2, 4, 5 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

The Chair of the meeting intends to vote undirected proxies **IN FAVOUR** of Items 2 - 6 and **AGAINST** Item 7.

**Important Note:** If the Chair of the meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 2, 4, 5 and 7 by marking the appropriate box in Step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you have appointed a proxy under Step 1, section B above and you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority. If you are directly voting under Step 1, section A above and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

### Board recommended resolutions.

The Board recommends shareholders vote **FOR** Items 2 - 6.

Board Recommendation		For	Against	Abstain
For	2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	3a. Director Re-election - Mark Bloom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	3b. Director Re-election - Miles George	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	3c. Director Re-election - Mark Twidell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	4. Grant of Performance Rights under the AGL Long Term Incentive Plan to Damien Nicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	5. Approval of Termination Benefits for Eligible Senior Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	6. Special Resolution - Reinsertion of Proportional Takeover Provisions for a further 3 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Non-endorsed resolutions.

The Board recommends shareholders vote **AGAINST** Item 7.

Board Recommendation		For	Against	Abstain
Against	7. Conditional Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the meeting intends to vote undirected proxies **IN FAVOUR** of Items 2 - 6 and **AGAINST** Item 7. In exceptional circumstances, the Chair of the meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Shareholder 2

Shareholder 3

/ /

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

### Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





**AGL Energy Limited**  
ABN 74 115 061 375



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+61 3 9415 4253 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

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## AGL Energy Limited Annual General Meeting

The AGL Energy Limited Annual General Meeting will be held on Tuesday, 21 November 2023 at 10:30am (AEDT). You are encouraged to participate in the meeting using the following options:

### ACCESS THE MEETING DOCUMENTS ONLINE

The Annual Report, Notice of Meeting and other information relevant to the meeting can be found online at <http://agl.com.au/agm>



### MAKE YOUR VOTE COUNT

To lodge a proxy visit [www.investorvote.com.au/AGL](http://www.investorvote.com.au/AGL) and use the below information:



Control Number: 132871

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 10:30am (AEDT) on Sunday, 19 November 2023.



### ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit <https://meetnow.global/MAGTR4Z>

For instructions refer to the Online Meeting Guide at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)



### ATTENDING THE MEETING IN PERSON

The meeting will be held at the City Recital Hall (Sydney), 2-12 Angel Place, Sydney, New South Wales