

## AGL Energy Limited AGM Transcript - 15 November 2022

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Ms Manning: Good morning. Helen Manning here from the Australian Shareholder's Association. Thank you for answering the question on the strategic review which we put to you before the meeting. It's now clear that you've got the four additional directors on the Board, so what we're asking here is that whilst the strategic review emphasised the decarbonisation process, which is of itself a herculean task, do you see other matters or strategy coming up and do you think you will be continuing the strategic review?

Patricia: Thank you for your question, Ms Manning. The strategic review had multiple matters under consideration. We certainly considered the decarbonisation path. We also considered the reshaping of the energy portfolio. And we considered the multiple strategies which had been developed for the demerged entities relating to consumers and other items, and other areas. We've determined that most of those strategies are appropriate for the integrated entity and we will continue to implement them moving forward.

Mr Beela: Hi. My name is [Dio Beela]. I'm a shareholder. I don't want to go in detail of your reports. Congratulations, that under the Covid situation you managed to get more money and I don't know how, apart from picking up the price. Anyway, what I try to say is this: we have a lot of directors. I go to various company meetings. It becomes a sport. Directors and politicians may not need always to be qualified. They can jump from one company to another. I'm not judging them but what I'm saying, if you ring AGL to try to get from other company to them, it takes days, not hours, to talk to somebody. And then, you talk to an answering machine.

If you succeed to get through, my last answer from one of the officers in charge (they call consultants) asked me how much do I pay now. That is not a fair question, in my view. So, what I'm saying we can't go in the [bush], the director responsible for communication, to be nice to stand up and to tell us or whoever is interested, how can you talk to somebody, not to a robot? When we have the disc, (04:58) [landline], you could talk to somebody. What's the benefit of having high tech if you cannot talk to anybody? And my view is that companies tend to raise the income of the higher level and very little on the low level which basically brings you customers. If you don't have communication, how can you get customers? Anyway, that is my question.

Patricia: Yes, thank you for your question, sir. We certainly put a lot of time and effort into our customer experience and I'm disappointed that you have not received the communication that you had sought. We do have today customer experience officers available and we'd be very happy for you to speak to them after the meeting. You can find them in the foyer and to deal with any particular issues that you have. But we will take into account your comments and we will continue to focus on our communications with our customers.

As to the question regarding what you're paying at the time, it is our practise to try to ensure that our customers are on the best possible payment plan for them and that's the purpose of that question.

(06:21) (Calling out from audience inaudible)

Mr [Beela]: I'm not trying to be Mr Smart but unfortunately, why the director to tell us, to me, at least, what qualifies and what plans he has because a low-level employee is responsible for 20% of his – statistically – his performance. The rest belongs to the company for training. And if you cannot talk to somebody, how can you get customers? But I don't want to – and please, don't kill the question because – or the answer. Thank you very much.

Patricia: Thank you.

Mr Flicker: Hello. My name is [Yarron] Flicker and I'm both a shareholder and a customer. My question relates really to the next two years of AGL rather than the next 5-10 years that you've spoken about. My comments relate also, questions relate to comments in the shareholder update and in the annual report which have been repeated here, and there are some incompatibilities there and I'd just like some comments about that. Whilst you talk about the unwavering support towards customers and to supply them affordable energy – that's on Page 2 of the Notice to Shareholder. And also, later on in the Annual Report we talk about the - underscored by the strength of the low-cost baseload position of AGL, but in FY24, AGL talks about having reduced its hedges therefore, it's going to have a delinking of cost and price to customers and therefore, it effectively is announcing that it's going to gouge its customers by charging a much higher electricity price. Those two comments, I find, are incompatible and it seems to be that – I'm not surprised, for example, that the remuneration's report because there's a delinking between cost efficiencies and price returns.

Also, the situation in gas is quite similar where AGL is a small producer of gas but essentially, we're deafened by the silence of all the retailers towards both to the public and to the government, about the high cost particularly of gas but also, of electricity where it seems that AGL have joined the other retailers and allowing the cartel-like behaviour of the producers to essentially use this situation to grow margin at the expense of its customers. It seems that in the next two years, the unwavering commitment to customers will really allow the domestic, commercial and industrial customers, some of which will be thrown onto the scrap heap of bankruptcy and continuing closures as we have seen already due to the high gas prices.

Despite what the interim CEO has said, this is not a new situation related to the Ukrainian War which has, to be frank, exaggerated it, but this was written about in 2017 when all the hedge positions were done and every gas producer was running out its supplies to the domestic market and essentially all, I think, other than Origin, have reduced their supplies to the domestic market. This is not a new situation but the hyper windfall profits of the producers, is really exaggerated by the Ukrainian market.

My question to AGL is, do you have an unwavering support to customers? Are you going to take advantage of your low-cost energy production to offer low-cost prices to the customers and lead? Or are we going to continue just ripping off the market and ripping off our customers?

Patricia: Thank you for your question, Mr Flicker. The pricing, particularly for domestic customers from AGL is in line with the regulated prices that are in place in respect to the demand

market offer around the Victorian demand offer and we do offer discounts to those prices where appropriate as to other retailers. We have in place plans to assist any customers who are in a difficult position and unable to make their payments. We have the Staying Connected Program which, in addition to offering smoothing of payments or payment plans, provides assistance in energy consumption and also, in relation to obtaining government assistance, where possible.

We negotiate contracts with the larger customers as appropriate from time to time and we consider that the pricing plans that we offer are consistent with others in the market and are appropriate at this time.

Mr Flicker: Sorry, (11:26) (off mic, mostly inaudible) -----answered the question.

The question is, is AGL going to lead in terms of pricing? You talk about in, I think it's page 3 of the Annual Report that AGL is the low-cost producer of electricity, at the same time announcing that you will take advantage of the loss of the hedge positions in 2024 to increase the AGL margin. That is not compatible with being a leader in providing affordable energy to your unwavering customers. That's really not an answer, I'm sorry.

Patricia: We do expect that, as we move into FY24 that the traditional hedging positions will roll off and we will be in a position to take advantage of whatever the wholesale pricing is at that time. But we will always look to balance returns to shareholders with the cost and affordability and reliability of supply to our customers.

Patricia: Next? Any other questions?

Ms [Lina]: Michelle (12:38) [Lina] here. I'm not quite sure how to phrase this question but we have a State Government election coming up and Danial Andrews is suggesting that we may go back to a State – not necessarily all-run electricity but my question, I suppose, is how does that affect AGL if it does take place?

Patricia: Yes, thank you for your question. AGL will work with all governments including the Victorian Government to continue to provide incentives for investment in the state so that we can move forward with the transition as quickly as possible. And we believe that we will be able to work with the Victorian Government to continue to progress the decarbonisation path.

Ms [Lina]: I also have another question, if I may, on the feed-in rebate. Is there any flexibility on AGL's offering more, I suppose? I mean, at this point in time, it's overall, 11 cents. I went into the market with solar panels at 33 cents and there seems to be no conversation to bring it on an environmental – where we can have solar panels and be affecting and being positive towards climate change.

Patricia: Yes. Absolutely, the feed-in rates have changed over time but I might ask Damien to speak to the actual dollar figures.

Damien: Thank you, Chair, and thank you for the question. I can't see where it's coming from, importantly, but I think it's – could I get my speaker on, please?

Patricia: Could we please turn on Damien's speaker?

Damien: There we go. Thank you for the question. I can't see exactly where it's coming from but I think the question is in relation to feed-in tariff for those customers who have solar. We are always reviewing what those feed-in tariffs are in line with market practice, so we'll continue to review those feed-in tariffs for our customers based on where the

market is, in any point in time. Because clearly as you say, getting more solar onto more roofs helps with the overall decarbonisation of Australia so we'll continue to do that as part of our pricing reviews.

Mr McKenzie: Good morning, John McKenzie, no relation to Patricia. I'm a shareholder and customer. There's a lot of science and technology involved in the business of AGL and I'm just wondering where does the Board and management receive its scientific technology and technology advice from and what cost? And I was also wondering what funding is the AGL providing to perhaps universities, perhaps the CSIRO for research into the science and technology areas involving the business of AGL.

Patricia: Thank you for your question, Mr McKenzie.

Unidentified: (not with microphone) It's Doctor McKenzie.

Patricia: Dr McKenzie, my apologies. We have many experts within AGL who are very focused on technology, particularly in relation to renewables informing and to the technology which we will see accelerate the decarbonisation programs moving forward behind the meters, electrification. All of those technologies are areas where we have departments and experts focused and report regularly to the Board. The research in respect to those areas is something which we do review from time to time and – are we disclosing that in the Annual Report or not? – but we do review it from time to time and we do ensure that we assist various companies and universities in their projects.

Mr Cazume: Hello. I'm Cas (17:05) [Cazume] from Sydney. What I'd like to know, you've just added four more directors and what I'd like to know is, is the current REM pool going to be shared amongst the new directors? Where is the extra money coming from? Will it be more money out of the shareholder pocket? Or is Mr Cannon-Brookes going to take something out of his pockets?

Patricia: Thank you for the question. The additional director's fees will be paid by the company, as is usual, and we have ensured that we have a sufficient cap on director's fees approved by shareholders to allow us to pay director's fees to all of the directors who will be joining the Board and are currently on the Board.

Mr Cazume: Hello. Sorry. Are you going to enlarge the REM pool? And where is the extra money coming from? Is Mr Cannon-Brookes going to put some out of his pocket or is it coming out of the pockets of the shareholders to pay for the four extra directors that are now joining the Board?

Patricia: It is never the case that shareholders – specific shareholders provide funds to the company for any particular reason, and it will not be the case here. The funds will come from AGL's income.

Mr Cazume: You still haven't answered the question. I mean, at the end of the day, it's the shareholders who are paying for all the AGL's operations. Now, if you're going to have four extra directors which means that more money is required to pay for those new directors, and surely, it's coming out of the pockets of the shareholders to say, okay, look, you've got four extra directors. They're making a contribution which is fine, but the extra money is, at the end of the day, basically coming out of the shareholder's pockets. That's what I want to know.

Patricia: All directors will be paid from the income of the company and therefore, I think that you could say that ultimately, shareholders pay for those fees but that is appropriate and usual across all companies in the ASX.

Mr Cazume: What I'd like to know-----

Patricia: I think I've answered that question, thank you.

Mr Cazume: No, no –

Patricia: Can we have another question, please?

Agnes Chi: Hello. My name is Agnes Chi. I'm one of the shareholders and I'm also the sole director of my own superannuation fund. I have a question related to the election of one of your four directors, Mr John Pollaers. Can Mr Pollaers please list each one of the sixteen major transformation companies he has performed at?

Patricia: Thank you for your question, Ms Chi. We will be moving to the election of directors a little later in the program and each director has prepared a presentation for shareholders. And I think that your questions will be answered during that presentation.

Colin Walker: Good morning. My name is Colin Walker. There's been a lot said about percentages to do with climate change but all of them mean absolutely nothing without the grid to make it come to fruition. Where does the Board stand as far as creating or assisting with the grid in order to reach zero emissions?

Patricia: Thank you for your question, Mr Walker. In determining the strategic plan and the determination to exit coal-fired generation by 2036, AGL did consider the reliability of the grid. And the plan that we have put forward to shareholders and which has been supported takes into account reliability and affordability and it balances that with the need for returns to shareholders and the need for decarbonisation. And we believe that this is the correct and best plan to move forward in order to achieve those outcomes.

Patricia: Any other questions? Alright.

Donald Walker: My name is Donald Walker and I'm a shareholder. I bought the shares for about \$18. And now, they're \$7.60. A big, big drop. If I sell out now, I'm losing a lot of money. I don't want to lose that so I'm keeping it with the AGL. I want a guarantee from the Board that there will be more revenue coming in, more profits and not nonsense. And please, get the shares back. Why have they dropped down? Why? Is it because of performance? Now, I know I own my own business and I know what I'm talking about. If I make a loss, I'd go out of business. Now, I want you people to work hard and to make sure the shares go back again, please. And that's all I'm saying. Thank you.

[APPLAUSE]

Patricia: Yes, thank you for the question. We certainly acknowledge the loss in shareholder value which has occurred over recent years. It is attributable to many factors including what has been an extraordinary reduction in the wholesale price, somewhat unprecedented. We've had some amazing and unique conditions, volatility in the market and we've also had some issues in relation to performance of our assets as they are growing older and we need to continue to work with those assets moving forward. We do believe that there is shareholder value to be gained in the transition and we will work to implement the strategic plan which we have put forward to

shareholders which all of the directors endorse and which we believe will bring value back to shareholders as we move forward.

Any other questions? Alright, James, could you please let me know if there are any questions relevant to this item online or by phone?

James: Yes, Chair. We have four questions online and currently, no one on the phone. The first question online comes from Steven Johnston. He asks, how much has AGL spent on the global search for Board members and executives that were already employed within the company and/or on the Board?

Patricia: AGL entered into a search for directors within Australia and a search for the managing director, which is an international search. We employed external search firms to assist us in that and we have paid them at market rates.

James: The next question comes from Mr (24:58) [Mamoon Razah]: As a shareholder of two years, I'm disappointed by AGL's performance. In a surging energy price market, as a customer, I'm paying more but as a shareholder, I'm seeing poor returns. How can I trust the current Board to turn things around?

Patricia: The current Board has responded to the current conditions in the market with the new strategic plan and we believe that is the best way forward for AGL and we are strongly of the view that this will deliver value to our shareholders as we implement it.

James: Next question comes from Mark Willis: Total assets increased from \$14.45 billion to \$19.27 billion. Can some transparency around this increase be provided?

Patricia: I think for the detail on that, I might hand over to Damien Nicks. Can we have the microphone on, please?

Damien: Thank you for the question. Look, the simple answer on this one is, because of the volatility in the wholesale markets, what we saw is significant increase in wholesale prices which drove up the financial value of the finance assets. Also corresponding, we had the same increase in financial liability. So, that's just a short, simple way of explaining it. Wholesale markets drove both the assets up and the liabilities up.

Patricia: Thanks, Damien.

James: The next question comes from Michael (26:28) [Cockburn] or [Misura] Pty Ltd: Your EBITDA, despite current high wholesale prices, seems restricted by hedging arrangements in place. Why does it take so long for these hedges to run out and we get the benefit of the higher prices? Why, if we are producing electricity and selling it ourselves, we cannot get today's prices? Some further understanding of how all this works would be helpful.

Patricia: Yes, thank you for that question. The hedging is a prudent approach by AGL to ensure that we can, to some extent, protect income from the volatility in the market. It is also a response to some regulatory requirements in respect to hedging for the domestic market. We will find that over FY23, the hedging will start to run off and we will be well positioned to see returns increasing in FY24.

Thank you.

00:36:20 --> 01:02:30

Ms Manning: Thank you. Thank you, madam Chair. You've just gone through – sorry, Helen Manning from the Australian Shareholder's Association. We are, of course, across all the outcomes for the remuneration report and I guess, most people in the room – average people – wouldn't understand most of this stuff. It's quite hard to follow, but you've told us that two of your major shareholders have voted against it with no material reasons. Can you give us a better idea of why they voted against it? I mean, we voted against it as well but we just thought it's basically meaningless now because of all the changes. Can you give us – and what you'll do? Will you be talking to the major shareholders? Or just a bit of colour, thanks.

Graham: Thank you for your question. I cannot speak for the shareholders and their votes but I can tell you that clearly, we will engage with certainly, these two large shareholders on their concerns about the remuneration report and factor that into the design that we have for the FY24 remuneration structure. Clearly, we're disappointed in their vote as I said, but we will try and address the concerns that they have as efficiently as possible.

Patricia: Any other questions from the floor? If not, James, could you please let me know if there are any questions relevant to this item online or by phone?

James: (38:14) (inaudible, no microphone)

Patricia: Thank you. Then we will move on.

Unidentified: Hello. I think the strike speaks for itself but what I need to know is, we've got directors, four more directors which are forced upon the Board at the moment, despite the fact that you claim to have the expertise already on the Board. Four more directors which means four more directors to pay for. Now, are you likely to re-examine the pool to add to the money? Or, are you going to share the pool that's already there amongst the directors?

Graham: So, the director fee pool which was approved in 2016, is \$2.75 million. In the last two years or so, the director fees have come out of around \$2 million. So, within the fee pool, there is head room to accommodate new directors without coming back to shareholders for another approval.

Unidentified: (39:27) (inaudible, no microphone)

Graham: Sorry, I can't hear you.

Unidentified: You haven't asked Mr Cannon-Brookes to put a few breadcrumbs into the pool? I mean, seeing that he wants his ideas-----

Graham: I think Patricia addressed that question earlier. It's not – the directors are independent and they are paid by the company, not by shareholders.

Unidentified: No, no, I meant he might throw us some breadcrumbs into the pool. I'm just wondering. Okay, thank you.

Graham: Thank you.

Patricia: So, are there any further questions from the floor on this issue? Sorry, it's very hard to see up here. Alright, thank you very much, Graham.

Graham: Thank you, Patricia.

Patricia: I think we'll move on now. Details of the proxy and direct votes that have been cast on this item are as shown on the screen. As you will see from the proxies, the vote against our Remuneration Report is more than 25% which means that AGL is likely to receive a first strike as we've mentioned. Please place your vote for this item if you have not done so already.

I now turn to the third item of business which is the Advisory Resolution on the Climate Transition Action Plan. AGL's inaugural Climate Transition Action Plan demonstrates our commitment to communicating transparently with our stakeholders about our approach to decarbonisation. I'll now invite questions on this item. Let's start with questions from shareholders and proxies in the room. Anyone holding a yellow or blue card, please raise it and raise your hand and a microphone will be brought to you.

Dr Cunich: Thank you. Margot Cunich. I'm a general practitioner from Sydney. Both the direct effects of climate change on the stability of society and the rapid technological changes in energy markets estimated by the NEM and AEMO and IEA are strategic risks for AGL that need to be better prepared for. As it stands, the current Climate Transition Action Plan needs to be redesigned if AGL is being sincere to shareholders, consumers and the market more generally, in our need for surety around climate risk.

Will AGL commit to revising the plan in the next twelve months before the 2023 AGM so it specifically addresses Paris-aligned 1.5-degree targets, rather than your 'below 2 degrees' by, for example, closing all coalfired powered stations by 2030, rather than 2036?

Patricia: Yes, thank you for your question. In determining the strategic review, AGL modelled four different scenarios in relation to closure of the coalfired power plants. Two of those related to AEMO scenarios. One, the below-2-degrees scenario where AEMO has chosen a 1.8-degrees reduction, and the 1.5 scenario. And we considered the implications of those two scenarios both for AGL and for the NEM generally. In relation to a 1.5-degrees reduction, the modelling from ACIL Allen which is set out in our Climate Transition Action Plan, shows that in order for the NEM to transition to a 1.5-degrees scenario and in respect to AGL, we would need to close all of our coalfired power stations by 2029 and all of the coalfired power stations in the NEM by the early 2030's.

This would require an additional 98 gigawatts of electricity at a cost of around \$90 billion. That equates to about 10 gigawatts per annum compared to the average 2.2 gigawatts per annum which has been delivered in the last five years. We do not consider that there is a feasible, deliverable plan that can deliver the reduction at 1.5 degrees in the NEM in that time frame. Simply stated, the major build-out of renewables firming and transmission is highly unlikely to be delivered in that timeframe.

Accordingly, AGL has delivered what it considers to be a responsible and appropriate plan to deliver against the Paris Agreement commitment of substantially less than 2 degrees, consistent with the AEMO and consistent with other players in the energy industry. Should the transition occur more quickly and should there be opportunity for us to move more quickly within AGL to exit coalfired generation, we will certainly consider that, taking into account the need to ensure affordability and reliability in the grid, returns to shareholders and as fast a decarbonisation as we can responsibly deliver.

Next question?

Ms Manning: Helen Manning from the Australian Shareholder's Association. I guess just following on from that, will you commit to putting the resolution to a vote next year as you had already allowed for?

Patricia: Yes, thank you for the question, Ms Manning. The Board has resolved to put the Climate Transition Action Plan to a vote for shareholders every three years. We've done this because this is a long-term plan and we need to be able to account for changes in technology, in progress along the way. We will certainly report against progress each year and should there be any significant change to our plan, we will bring it back for a shareholder resolution.

Any other questions? No? James, could you let me know if there are any questions relevant to the resolution on the 2020 CTAP online or by phone?

James: Yes, Chair. We have six questions online and no one on the phone. The first question comes from Mr (46:14) [Torek Ahfez] and Ms [Hanya Massoud]: Is the Board satisfied that this plan and the \$20 billion of extra funds required will maximise shareholder value? If, how and over what period?

Patricia: Yes, thanks for that question. The Board is clearly of the view that the transition in the energy industry will bring many opportunities to increase value to shareholders. We believe that the plan that we have developed, our new strategic plan, is the right way forward and we are looking forward to implementing that and to delivering that value through to our shareholders.

James: The next question comes from Mr Ian McCallum and Mrs Lynette McCallum: Why is AGL following the climate and renewables agenda of Grok Ventures rather than providing support to the existing coal and baseload assets that it controls? There are another 89% of shareholders that AGL management are not listening to.

Patricia: Thank you, Mr and Mrs McCallum. AGL accepts the science of climate change and we agree that we need to transition the energy market as quickly as possible, providing we are doing so responsibly and delivering appropriately in relation to that plan. We believe that this strategic plan does deliver a responsible and appropriate transition.

James: The next question comes from Ms Hilary [Kune]: Is AGL considering the use of biological capture of carbon dioxide by using micro algae to recycle CO<sup>2</sup> emissions from combustion of coal at Liddell, Bayswater and Loy Yang A power stations?

Patricia: Thank you for the question. We are considering for each of those power stations, energy hubs. And in relation to those energy hubs, we are looking at various opportunities for new technology. We will determine which is the best technology to introduce into those hubs as we move forward and which can deliver best value for shareholders.

James: The next question comes from Mrs Margaret [McArthur]: Is the company aware that EU nations are withdrawing from the Energy Charter? France, Netherlands, Sweden and Germany.

Patricia: Thank you for that question. Certainly, there have been major changes internationally in relation to energy industry, particularly this year. We've seen the position in the Ukraine which has definitely impacted on gas supplies. We've also seen wind droughts. And so, there are considerations that need to be taken into account when considering

the transition. That's why we need to ensure that our transition is responsible and targeted to the situation in Australia.

James: The next question comes from Ms (49:16) [Yeh Wen]: The media is showing AGL as the biggest carbon emitter. At the same time, AGL is also the biggest renewable energy generator in the country. I'd like to know what the Board is going to do to change this public view of the AGL.

Patricia: Thank you, Ms [Wen], for that question. We believe that the strategic plan that we have put forward allows AGL to play a major role in transitioning to net zero in Australia and that the perception of AGL as the largest emitter also allows us to be one of the largest players in that transition journey. We are definitely looking to introduce, as we have said, an ambition of up to 12 gigawatts of renewable firming and renewable energy over the next twelve years and we will be a leader in the transition. And we expect that our leadership role will position us well in relation to our customers and our stakeholders.

James: The next question comes from Mr Jonathan Hancock: My question relates to the environmental damage which is being done with this switch to renewables. In the building of solar and wind farms, new transmission lines and mining for battery metals as well as limited life of new technologies requiring massive recycling solutions, how is AGL viewing and measuring their investments in the climate transition plan in terms of all these costs relating to renewables?

Patricia: Thank you for the questions, Mr Hancock. We do believe that there is substantial value for our shareholders in the transition to renewables and we do ensure that we comply with all applicable environmental controls in relation to any infrastructure which we build and adopt moving forward.

James: The next question comes from Jamie Harris: Beyond building batteries in your existing energy hubs, what else will AGL do to aid the communities in these regions?

Patricia: Thank you for your question, Mr Harris. We have a twelve-year plan for exiting coalfired generation in the regions. And in order to deliver on that plan, we will be working closely with the local communities, with their employees and their representatives and with the government to ensure that there is a just transition, that communities and our employees are treated fairly and appropriately, that we can assist in ensuring that the new energy industry has the skills and training necessary to deliver. And we will continue to work as we have done in Liddell with all of those people to deliver those outcomes.

James: The next question comes from Mr Jonathan Hancock: Coalfired power still has a place for the next decade in Australia as indicated by the 2035 shutdown plans. What is AGL doing to ensure that 1) they retain the necessary expertise to manage and operate the remaining coalfired power stations until closure, 2) pursue expertise and research to advance the technology in coalfired power which may make the generation of this form of power more efficient and less environmentally damaging?

Patricia: Thank you for the question, Mr Hancock. We are continuing to work with our employees at all of our coalfired generators to ensure that we maintain and retain the necessary expertise to operate those coalfired generators through to the closure dates. And at this point, we believe we have in place the appropriate processes to ensure that that will occur. In relation to new technologies that might assist us in the efficiency, we keep an open mind. We keep across all of those new technologies and we implement them wherever that will make a significant difference to our operation of our plants.

James: The next question comes from Mark Willis: In 2017, I believed AGL declared investment replacement capacity equal or near to Liddell prior to closure via various renewables and energy firming projects. How many of these megawatts have been constructed as planned? And thus, is the 5 gigawatts now documented, any more feasible for AGL?

Patricia: Thank you for your question, Mr Willis. AGL is the largest owner of renewables in the ASX and privately owned. And we will continue to work on the ambition of the 12 gigawatts by 2036, 5 gigawatts by 2030. We have in place 3.2 gigawatts of firming and renewable capacity that are currently either under construction or in the planning stages and we have access to a further 3.5 gigawatts through out partnership or our position in Tilt Renewables. So, this is a deliverable plan that will ensure that AGL is able to continue to meet the demands of its customers moving forward.

James: And the last online question from Mr (54:44) [Mamoon Razah]: Does AGL have any plans to leverage households with solar as a source of clean energy? If so, what are the targets?

Patricia: Yes, thank you, Mr [Razah]. AGL already operates one of the largest virtual power plants in Australia where we orchestrate the energy from solar to deliver back into the grid. We certainly have plans to extend those virtual power plants and we have additional plans in relation to distribute energy, electrification and the many new technologies which will come with the transition to renewables. And we'll continue to evolve those and explain them to our shareholders and to our customers as we move forward.

Ms Kater: Hello?

Patricia: Yes:

Ms Kater: Sorry, I was a bit slow getting my hand up earlier. Hariett Kater from the Australasian Centre for Corporate Responsibility. In the era of escalating focus on greenwashing, how confident are you that the CTAP can be described as a Paris-aligned plan? The Paris Agreement states we need to limit warming to well below 2 degrees. And based on modelled probabilities, a 1.8-degree pathway could quite easily lead to warming that is above 2 degrees and there is an emerging acceptance in the scientific community that well below 2 degrees is actually sort of, closer to 1.6 degrees warming. Could you provide comment on that?

Patricia: Yes. Thank you for your question. Yes, we are certainly very well aware of our obligations in respect to greenwashing. And for that reason, we have many thousands of pages of analysis in relation to the plan which we have put forward to our shareholders. The 1.8-degrees scenario was adopted by AEMO and we have adopted that plan in our modelling to ensure that we have a deliverable and responsible plan in relation to our decarbonisation path. And we have checked this through with multiple external experts. We had McKinsey, EY, Deloitte and others advising the organisation to ensure that what we put before our stakeholders is in fact, something which we can deliver.

Unidentified: (57:20) (inaudible, no microphone)

Patricia: What we've put forward is a plan which allows a lower carbon future, which is aligned with the Paris Agreement ambitions. And as I've said, we have adopted the AEMO climate transition packages in order to ensure that it is appropriate within the Australian Energy Market.

Ms Linera: Hello. It's Michelle Linera here again. Part of what I was going to ask, I think, was asked online in the last three questions but I don't think it had actually – those questions didn't actually address when your power plants are wound down, and what is the clean-up situation, timeframe, money? And also, health effects on any of the people that live in the close region to the power plants? Thank you.

Patricia: Thank you for the question. We have an ambition to provide 12 gigawatts by 2036 with 5 gigawatts by 2030. We estimate the cost of that will be around \$20 billion. But as Damien Nicks pointed out in his speech, that's not \$20 billion which needs to be provided directly by AGL. We will use the power of our book to underwrite renewables by others. We will partner with others as we have, for example, in the Tilt Renewables organisation. And we will use our own balance sheet to deliver where appropriate returns can be made for our shareholders.

So, the renewable ambition that AGL has espoused will, we believe, ensure that we have sufficient renewable power available to meet the demands of our customers moving forward. And as I've already said, we do ensure that we meet all health and environmental regulations in relation to all of that renewable and firming build-out and we will work with our employees and the communities in relation to any health impacts of the withdrawal from coal-fired generation.

Are there any other questions? Yes? Thank you.

Unidentified: Hello. I keep hearing the word strategic. I've been a shareholder eight years or so, a shareholder and a customer for a very long time. There's anything but strategic. There's been a lot of intellectual inertia on AGL's part. This may have something to do with the government policies. In this case, I welcome the new director, Miles George, who was on the Board of Infigen, and its progress was stultified by government policies, so I hope he is able to add a bit more intellectual rigour in the discussions and contribute more positively and aggressively to this transition plan. As I expect the new directors also to provide more backbone and some strength – intellectual strength – towards moving towards a transitional plan. Thank you. And welcome, Miles George.

Patricia: Thank you very much. We also welcome Miles to the Board and he certainly brings very useful expertise to assist us in our renewable pathway moving forward.

If there are no other questions – can I see a hand up there? Could someone take a microphone, please?

Mr [Cacas]: Hi. My name is Edgar (01:01:38) [Cacas]. I'm a shareholder. When you sell your coal power stations and all of the coal mines that go along with it, are we actually losing assets that you as a company do not get any remuneration for? Are they just basically gone like I buy a new car tomorrow for \$60,000, three days later I just get rid of it, I get nothing for it?

Patricia: Yes, thank you for the question. Of course, we depreciate and amortise the assets over time. And we will be looking to replace those assets with a refreshed and new energy asset base for AGL moving forward. Thank you, I think we can now move on.

**1:12:25 --> 1:13:49**

Unidentified: Personally, I don't think the video did any justice. Three of the directors are seeking re-election. I would much rather of seeing them stand there on the podium and say, "This is who I am." I think, particularly Miles George. It was doing a great injustice just looking

at him from a distance. I'm disappointed that they didn't take this opportunity to come and speak to us directly on the podium rather than having a video which didn't really do any justice. Anyway, I don't have much more to say on that. I would much rather of seeing them speak on the podium and with some passion rather than that video that we just watched. Thank you.

Patricia: Thank you for your comment. We have eight people standing for election to the Board today. And, in the interests of allowing you all to get out of here at a reasonable time, we believed in the efficient means of doing that would be to pre-record their speeches. Any other questions?

If not, James, could you please tell me if there are any questions relevant to this item online or by phone?

James: No questions online or on the phone.

Patricia: Thank you.

**1:18:10 --> 1:25:20**

Ms O'Brien: Hello. Brynn O'Brien from the Australasian Centre for Corporate Responsibility. It's a question for Patricia: Today has been a momentous day in this company's history. Four new directors have been elected to the company's Board, three of which you opposed their election. They've been roundly endorsed by shareholders. There's been a first strike against the Remuneration Plan. There's been over a 30% vote against the company's transition plan. The process of your elevation to Chair involved apparently, a worldwide search that you oversaw, that resulted in again, your elevation. Will you be reflecting on your tenure as Chair after this meeting? And do you think that it may be time for fresh thinking in that role?

Mark: Thank you for your question. Maybe before I get Patricia to answer, I'd like to say that when you look at the numbers for Patricia's re-election, there has been overwhelming support from shareholders. And the Board of directors as we have said, fully support Patricia, but maybe, I can ask Patricia to add a few words.

Patricia: Yes. Thank you, Mark. And thank you for your question. I assumed the role of Chair at the request of the Board. I did not appoint myself. I think that significantly overstates my power. I bring over 40 years' experience in the energy industry. I am a proven leader and Chair. And I believe that I have received overwhelming support today from shareholders. I intend to continue as Chair of AGL in order to provide continuity in what has been a turbulent time for the organisation. And I look forward to leading the company into a sustainable and successful future.

[APPLAUSE]

Mark: Are there any other questions?

Mr [Beela]: Yes. Excuse me, (01:20:32) [Dio Beela] is my name. I'm a shareholder. I want to ask a question either of the three directors. I don't trust the Chair. The Chair is a special position, doesn't answer much. Is there any of you, every one of you said, "I have a lot of experience. I have a good background," to tell if or not previous companies you did any innovation, implementing something or - we are more interested to see if any of you has a project to improve the AGL performance and AGL share prices. If there is any of you, because it's nice to be all engineers but not necessarily a good one.

Anyway, so I want everyone to tell me – one of you – if you have any innovative in a previous or in a position you require would – to be a director in AGL. Thank you.

Mark: Thank you for your question. This is actually the time for questions about Patricia's re-election. I think we've passed the time when we were questioning the other directors. Are there any other questions?

Ms Manning: Helen Manning from the Australian Shareholder's Association. Patricia, the Australian Shareholder's Association meets with the Chair every year. And in our pre-AGM meeting with Patricia, she said she would work with anyone who was appointed to the Board and we understood that to be a genuine statement from her. Would she like to elaborate on how she will go about creating cohesion here, because that has been our major concern here, that we don't add to the dysfunction of the Board?

Mark: Patricia?

Patricia: Yes, thank you very much for that question. The Board consists of professional directors. We recognise the right of shareholders to nominate directors to the Board and we welcome the new directors who we expect, will be appointed today. I believe that we will all work together collaboratively in the best interests of all shareholders. The new directors coming onboard are also very professional business people and I do not anticipate that there will be any difficulty in the Board forming a cohesive force to work for our shareholders.

Mark: Thank you. Any more questions?

Mr [Beela]: I'm a little tired of all this talk about 40 years' experience. I think it's time we took note of what some of the younger people are thinking. We need creative and innovative thinking and I think if there is a lesson to be learned, there is some suggestion that the election results in the United States where the millennials and the Gen Z have provided a new direction. The older generation certainly have the knowledge and the experience and look where they have taken us. I think it's something to be said for listening a little more closely to some of the newer and fresher ideas that will help transform us into a company that takes their interests, the interests of the future generations, into account much more, rather than saying, "I have 40 years or 50 years of experience." So what? That's all very wrong in the past but it doesn't give us much guidance for the future. And I've been observing and studying and researching Board performances. Westpac is another one where we've had the current CEO who's been there 20 years and yet, what have you found? You've found dead bodies coming out of the – skeletons coming out of the cupboards over and over again, while he was out cruising. Why wasn't he taking note of some of those deficiencies and addressing them as he went along? So, all I'm saying is I think it's about time that we had some sort of an intellectual revolution and say, "Well, okay, this is all very well for the past. We now need to take some of the issues for the future in a much more vigorous manner." That's just my comment. Thank you.

Mark: Thank you for your comments. Any further questions? James, are there any questions from the online forum?

James: There are no questions online or on the phone.

**1:39:41 --> 1:49:30**

Agnes [Chi]: Hello. I'm Agnes (01:39:48) [Chi]. I'm a shareholder. This question is for Mr John Pollaers. Mr Pollaers, can you please list each and every one of the sixteen company transformations which you have been involved in, or you've performed?

Patricia: Can we turn that on, please?

John Pollaers: Can I just see where the question was coming from? Great. Thank you. Thank you for your question. Look, I'm not going to go through listing all sixteen however, if you do go and look at all of the materials that have been presented to shareholders and included on the Keeping It Together website, you'll see I lay out a very detailed resume. You'll see that I have led and had senior roles in more than sixteen companies around the world, including multiple divisions and I believe my record stands for itself.

I think the thing that is most important though and it goes to your question and comments of some of the previous questioners today is, this is not about the past. This is about how we now bring our skills and our experience to bear on probably one of the most exciting and interesting and important corporate change programs that this country is going to see and in returning this company to its brilliance. So again, I welcome you to have a look at that and I'm very happy to go through that list with you personally in the bar if that's what you'd like to do afterwards but I think my experience stands for itself, so thank you for your question.

Patricia: Thank you, John. Any further questions?

Mr [Cacas]: Thank you. Sorry to waste your time again. Edgar (01:41:57) [Cacas], shareholder. I don't know what a Grok is, so does Grok run AGL? And with these four new people that want to go on the Board, who's job is presently being done by these new people, that they're going to suddenly push you aside, as it were, to fit in?

Patricia: Thank you for your question. Grok is a company associated with Mike Cannon-Brookes, a vehicle which he has used along with Galipea Partners to purchase shares in AGL. It does not control AGL. The Grok holding is around 11.3% of AGL and we obviously, interact with all of our shareholders and we'll continue to interact with Grok as our largest shareholder, moving forward.

The constitution of AGL allows up to ten people on its Board and so, the addition of four directors today does not mean that any position is vacated. Those four directors will be additional to the existing directors on the Board.

Unidentified: (01:43:14) (inaudible, no microphone)

Patricia: The makeup of the Board relates to a skills matrix. So, we consider the skills on the Board, we consider the skills necessary to lead the company and oversee the company moving forward and we try to ensure that we have the right directors with the right skillsets that relate to that skills matrix moving forward.

Ms Manning: Helen Manning from the Australian Shareholder's Association. Madam Chair, you've had three nominations approved to this Board which you specifically went against. What will you do to try and bring the Board together, in particular, now?

Patricia: Look, we welcome the new directors to the Board. The shareholders have made a determination as to the makeup of the Board and we accept that. I think it's great to have diversity of thought on the Board, some new ideas coming in and I have absolutely

no doubt that, as everyone on this stage and joining the Board, are professional directors. We will work together in the best interests of all our shareholders.

Mr [Bater]: Good morning. Patrick (01:44:40) [Bater], shareholder. I'm interested to know if our four new directors' own shares in AGL or are they about to purchase them now that the share price has gone down?

Patricia: Thank you for your question. I understand at this time that we'll be lodging notices later today that the directors do not own shares at this time but we do have a requirement at AGL that all directors are owners of shares and there is a period of time over which that shareholding can be accumulated. Let me also say that your existing Board of directors, having delivered on the new strategic plan, all purchased additional shares. So, I think we've put our money where our mouth is, in respect to that plan moving forward.

James, could you please let me know if there are any questions relevant to Item 5 online or by phone?

James: Yes, Chair. There are five questions online. There is no one on the phone. The first question comes from Mr (01:45:50) [Tarek Ahfez and Ms Hanya Massoud]: How does the election of four new directors representing a shareholder that only owns 11% of the company ensure that the interests and views of other shareholders are well-represented?

Patricia: Yes. Thank you for the question. Each of the directors today have given to AGL a Statement of Independence which we have accepted. They are not representing any particular shareholder and they will all, I believe, act in the best interests of all shareholders.

James: The next question comes from Michael Cockburn of (01:46:27) [Misura] Pty Ltd: In view of the Board's recommendation to not support the election of three of the four new director candidates, can you give us an indication if they are elected as you indicated earlier, as to whether or not any of the existing directors might find this untenable and therefore, resign from the Board?

Patricia: Thank you. No, none of the existing directors have any intention to resign. All have put themselves forward today for re-election other than Mark Bloom. And I know that Mark is excited about moving to implement the new strategic plan and will remain on the Board.

James: The next question comes from Mr (01:47:09) [Mamoon Razah]: This is a question regarding all directors nominated by Grok Ventures. Considering the extra cost to AGL's bottom line, how will shareholders assess the value-add by these four new directors? Are there any KPIs directly linked to the new directors that will be shared with the shareholders?

Patricia: Thank you for that question. The means by which shareholders make comment in respect to directors is in relation to their election which is required regularly and will continue to occur in accordance with our constitution. So, shareholders will have opportunities to vote on the re-election of all directors as required under that constitution.

James: The next question comes from Mr Christopher Johnston: Do the proposed new directors support the Climate Transition Action Plan?

Patricia: Thank you for your question. I cannot speak on behalf of the new directors in relation to the Climate Transition Action Plan. I don't believe that it's particularly useful at this point to ask each of them to speak to it but as a Board, we will be looking to implement that plan moving forward. And I'm sure that our new directors will be enthusiastically a part of that.

James: Last question, which comes from James Star: How many companies does the new director candidate, John Pollaers, claim to have worked for? If it turns out that he has fabricated his experience, could he be removed from the Board despite being elected?

Patricia: Thank you Mr Star. I think that question has already been answered. And as I said previously, if shareholders have the opportunity, and as they do, to re-elect Mr Pollaers at a future time, then I'm sure that they will have, by that time, been able to consider his performance as a director of AGL which will be the relevant factor.

Okay, any further questions? If not, thank you. I think we can now move on. Details of the proxy and direct votes that have been cast on Item 5 are as shown on the screen. Please place your vote for this item if you've not already done so.

**END OF TRANSCRIPT**