

AGL Energy Notice of Meeting 2024

Wednesday, 25 September 2024
10:30am (AEST)



Chair's Letter

I am pleased to invite you to AGL's 2024 Annual General Meeting of Shareholders.

Date: Wednesday, 25 September 2024

Time: 10.30am (AEST)

Venue: Melbourne Convention and Exhibition Centre
1 Convention Centre Place, South Wharf, Victoria

Online: <https://meetnow.global/MTYPUZG>



Dear Shareholder,

On behalf of the Board, I am pleased to invite you to the 2024 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 Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Victoria.
- **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.
- **lodging a proxy (including a direct vote) in advance of the meeting:** You can do this online at 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 (AEST) on Monday, 23 September 2024** 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. Questions should be lodged no later than 5.00pm (AEST) on Wednesday, 18 September 2024.
- **watching a live webcast of the AGM:** The AGM will be available to view at <https://meetnow.global/MTYPUZG>.

Even if you plan to attend the meeting at the Melbourne Convention and Exhibition Centre 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 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. The business to be dealt with at the AGM is provided on page 3 of the Notice of Meeting. The Notice of Meeting contains resolutions for:

- the adoption of the FY24 Remuneration Report;
- the re-election of Mr Graham Cockcroft, Ms Christine Holman and Ms Vanessa Sullivan as Directors; and
- the grant of performance rights under the AGL Long Term Incentive Plan to Mr Damien Nicks.

Background information on each of these items is contained on pages 7 to 11, which form part of this Notice of Meeting.

Chair Succession

Finally, as foreshadowed as part of AGL's FY24 full year results announcement, I will retire from the AGL Board following the release of AGL's FY25 half-year results in February 2025. Miles George has been appointed Chair-elect and will succeed me as Chair in February. When I became Chair, at a challenging period in AGL's history, my objective was to stabilise the company and set it on a path to take a leading role in the transition of the energy industry towards a more sustainable future. Under my leadership, AGL announced a refreshed strategy and released its inaugural Climate Transition Action Plan (CTAP) with strong support from our shareholders. AGL has made significant progress in delivering this strategy over the last two years and has significantly improved its financial and operational performance. I remain committed to chairing AGL until February and will continue to support the management team and ensure an orderly handover to Miles.

I look forward to welcoming you at the AGM.

Chair, Patricia McKenzie
14 August 2024

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 2024.

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 2024, as set out in the Directors' Report section of the 2024 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 6 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 Graham Cockroft, 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 Ms Christine Holman, 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 Ms Vanessa Sullivan, 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, 185,661 Performance Rights under AGL's Long Term Incentive Plan in respect of the financial year ending 30 June 2025 on the terms set out in the Explanatory Notes which accompany the Notice of Meeting."

A voting exclusion applies to this resolution – see page 6 for details.

By Order of the Board



Melinda Hunter
Company Secretary
14 August 2024

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 12.

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 (AEST) on Monday, 23 September 2024**. 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 or by proxy;**
- **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 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/MTYPUZG>.

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/MTYPUZG>.

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/MTYPUZG>.

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 (AEST) on Wednesday, 25 September 2024** 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/MTYPUZG>.

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 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 or 4 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 and/or does not vote in accordance with your instructions. 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, 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 all Items of Business, including Items 2 and 4 which 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 - 4.

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.

Impact of appointor attending the meeting: 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 (AEST) on Monday, 23 September 2024**.
- Your Voting Form may be lodged with AGL by:
 - **Website:** lodging online at 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 appointed under a Power of Attorney or similar authority must be appointed by mail or fax and cannot be appointed online. Custodians and other intermediaries who participate in the Share Registry's online system can also make a proxy appointment online via 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. Questions should be lodged no later than **5:00pm (AEST) on 18 September 2024**.

Questions to the auditor in relation to the content of the auditor's report or the conduct of the audit must be received by AGL's Share Registry by **5:00pm (AEST) on 18 September 2024**.

(e) Webcast

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

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

Item 2

The resolution for Item 2 is 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 resolution in Item 2:

- i. by or on behalf of a member of AGL's KMP named in the Remuneration Report for the financial year ended 30 June 2024 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 Item 2 if they are cast as proxy for a person entitled to vote on that Item:

- 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 2 is 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.

Business

Item 1 – To receive and consider the Financial, Directors' and Auditor's Reports for the financial year ended 30 June 2024

The 2024 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 2024 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.

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 2024

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 2024 be adopted. The Remuneration Report is set out on pages 90 to 111 of the 2024 AGL Annual Report. The resolution is advisory only and does not bind the Directors or AGL. However, the Directors will take into account the outcome of the vote when reviewing AGL's remuneration policies and practices. 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 Graham Cockroft

Qualifications: MCom, Masters in Finance (London), CMIInstD (NZ)

Term: Non-Executive Director since 1 January 2022.

Independent: Yes

Committees: Chair of the People & Performance Committee and a member of the Audit & Risk Management Committee and the Nominations Committee.

Directorships: Director of Meridian Energy Limited and Tuatahi First Fibre Limited (and three related companies).

Experience: Mr Cockroft has over 30 years' experience in the international energy industry, with executive roles in the UK, South America, New Zealand and Asia. His experiences have been across the energy chain and under different political, economic and regulatory regimes. He has a strong financial background and extensive experience in strategy and business development.

During his executive career Mr Cockroft served as Group CFO at Sembcorp Industries, Singapore, CFO and COO at Contact Energy, New Zealand, and in various senior executive roles for close to two decades at BG Group, primarily in the UK and South America.

The Directors consider Mr Cockroft's skills and experience, in particular Mr Cockroft's significant financial expertise and experience in the energy industry, are valuable to the Board's existing skills and experience. Mr Cockroft also adds considerable strength and leadership to the Committees on which he serves, including as Chair of the People & Performance Committee. For these reasons, the Directors support the re-election of Mr Cockroft as a Director.

DIRECTORS' RECOMMENDATION

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

b. Ms Christine Holman

Qualifications: MBA, PG Dip Mgt, GAICD

Term: Non-Executive Director since 15 November 2022.

Independent: Yes

Committees: Member of the Audit & Risk Management Committee, the People & Performance Committee and the Nominations Committee.

Directorships: Metcash Limited¹, Collins Food Limited, Indara Pty Limited, the McGrath Foundation and the State Library of New South Wales Foundation.

Business (continued)

Experience: Ms Holman has more than 30 years' experience across media, property, industrial, infrastructure and technology sectors. Ms Holman was formerly Chief Financial Officer and Commercial Director at Telstra Broadcast Services. More recently, Ms Holman has served as a Non-executive Director of CSR Limited, Blackmores Limited, Wisetech Global Limited, HT&E Limited (previously APN News & Media), Vocus Group Limited and National Intermodal Corporation. Ms Holman was also previously a Director of the Bradman Foundation and T20 World Cup Cricket 2020.

The Directors consider Ms Holman's skills and experience, in particular Ms Holman's significant experience in technology and her ASX-listed experience, add to the Board's existing skills and experience. Ms Holman also adds considerable strength to the Committees on which she serves. For these reasons, the Directors support the re-election of Ms Holman as a Director.

DIRECTORS' RECOMMENDATION

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

c. Ms Vanessa (Fernandes) Sullivan

Qualifications: BEc (Hons), GradDip (AppFin), GAICD

Term: Non-Executive Director since 1 March 2022.

Independent: Yes

Committees: Chair of the Safety & Sustainability Committee and a member of the People & Performance Committee and the Nominations Committee.

Directorships: Chair of Centacare's Advisory Board (a Not For Profit disability and family services provider) and Port of Townsville. Ms Sullivan is also an independent member of the Ministerial Energy Council Hydrogen Development sub committee and a member of a Griffith University Business School Advisory Board.

Experience: Ms Sullivan has strong commercial, financial, project development and strategy experience gained over 20 years, working across the energy, water and sustainability sectors and more recently in hydrogen industry development. This includes as a Climate Change Leader and Utilities Leader at EY and undertaking significant energy market reforms across the supply chain whilst at Queensland Treasury Corporation. Ms Sullivan has previously held non-executive director roles with Eco Markets Australia, the Smart Energy Council, Essential Energy, Sunwater and Niche Environment and Heritage.

The Directors consider Ms Sullivan's skills and experience, in particular Ms Sullivan's significant sustainability expertise and experience in the energy industry, are valuable to the Board's existing skills and experience. Ms Sullivan also adds considerable strength and leadership to the Committees on which she serves, including as Chair of the Safety & Sustainability Committee. For these reasons, the Directors support the re-election of Ms Sullivan as a Director.

DIRECTORS' RECOMMENDATION

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

1. Ms Holman will not be seeking re-election at the AGM of Metcash Limited scheduled for 13 September 2024 and will retire as a Director of Metcash Limited at the conclusion of the AGM.

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 185,661 Performance Rights to AGL's MD & CEO, Mr Damien Nicks, under the LTIP in FY25.

Current remuneration package

The Remuneration Report, on pages 90 to 111 of the 2024 AGL Annual Report, sets out details of Mr Nicks' current remuneration. Mr Nicks' total remuneration from 1 September 2024 comprises:

- Fixed remuneration (**FR**) of \$1,500,000;
- Short Term Incentive eligibility, with a maximum opportunity of 125% of FR for FY25; and
- LTIP eligibility, with a maximum opportunity of 130% of FR for FY25.

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 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' FY25 Performance Rights will be tested against the performance conditions over a four year period commencing from 1 July 2024. 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.

The decision to vest any Performance Rights is also subject to the overriding discretion of the Board, who may adjust outcomes upwards and downwards if appropriate, including to better reflect shareholder expectations, personal or group performance or any other factor which the Board reasonably determines is appropriate to take into account in the circumstances.

Determination of the number of Performance Rights

Mr Nicks is proposed to be granted 185,661 Performance Rights. The number of Performance Rights has been determined by dividing the face value of the MD & CEO's annual LTIP opportunity (130% of FR) by the volume weighted average price of AGL Shares over the 30 calendar days up to 30 June 2024 (being \$10.5030). 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. FY28).

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 FY25.

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 in FY28** - measured as the emissions (tCO₂e) 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 renewable and firming capacity from 1 July 2022 to 30 June 2028 (GW)** - measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 to 30 June 2028.

Business (continued)

- **Revenue uplift of green energy and carbon neutral products and services (%) in FY28 from FY19 base.** The base year of FY19 has been used to align with AGL's Climate Transition Action Plan.

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 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 FY28 (tCO ₂ e/MWh)	Vesting of award subject to this metric (% of maximum)	New renewable and firming capacity from 1 July 2022 to 30 June 2028	Vesting of award subject to this metric (% of maximum)	Revenue uplift of green energy and carbon neutral products & services in FY28 from FY19 base	Vesting of award subject to this metric (% of maximum)
More than 0.838 (tCO ₂ e/MWh)	0%	Less than 3.1 GW	0%	Less than 90%	0%
0.838 to 0.825 (tCO ₂ e/MWh)	Straight-line vesting between 25% and 50%	3.1 GW to 3.5 GW	Straight-line vesting between 25% and 70%	90% to 96%	Straight-line vesting between 25% and 50%
0.825 to 0.819 (tCO ₂ e/MWh)	Straight-line vesting between 50% and 90%	3.5 GW to 3.7 GW	Straight-line vesting between 70% and 90%	96% to 106%	Straight-line vesting between 50% and 100%
0.819 to 0.812 (tCO ₂ e/MWh)	Straight-line vesting between 90% and 100%	3.7 GW to 4.0 GW	Straight-line vesting between 90% and 100%	More than 106%	100%
Less than 0.812 (tCO ₂ e/MWh)	100%	More than 4.0 GW	100%		

Cessation of employment

Except in limited circumstances, Mr Nicks must be employed by AGL (and not tendered his resignation) 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 and malus

The Board maintains a broad discretion under the LTIP to lapse, forfeit or clawback LTIP awards and the proceeds of those awards in appropriate circumstances. Such circumstances 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. The discretion also extends to situations where any unvested equity award has vested as a result of a material misstatement in the financial statements of AGL, or where vesting or release of an executive's LTIP award is not justified or supportable in the opinion of the Board.

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.

Business (continued)

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.

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 FY25. 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 185,661 Performance Rights to Mr Nicks, in accordance with ASX Listing Rule 10.14.1, because he is a Director of AGL;
- b. Mr Nicks has previously received 464,012 Performance Rights at no cost under the LTIP as part of his remuneration from AGL. Mr Nicks currently holds 378,469 Performance Rights under the LTIP in respect of awards made in FY21, FY22, FY23 and FY24. 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 2023 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 October 2024 (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.

Glossary

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

2024 AGL Annual Report means the Annual Report of AGL for the financial year ended 30 June 2024.

AGL means AGL Energy Limited ABN 74 115 061 375.

AGL Share means a fully paid ordinary share in AGL.

AGM means the 2024 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 2024.

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 2024 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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